



# **THE TRAVANCORE PUBLIC WORKS ACCOUNT CODE**

---

**VOLUME I**

---

*Issued by authority of the Government of Travancore*

---

**FIRST EDITION**



**TRIVANDRUM :  
PRINTED BY THE SUPERINTENDENT, GOVERNMENT PRESS,  
1943**





## PREFACE.

---

1. The Travancore P. W. D. Account Code, of which the present edition is the first under this title, describes the accounts which should be maintained in respect of Public Works transactions, the principles on which they are based and the procedure to be adopted for their maintenance. The rules in this Code supersede the rules relating to account matters in the Travancore Public Works Code published in 1912.

2. The Travancore P. W. D. Account Code contains the rules which are special to the Public Works Department. It does not reproduce account rules which are applicable to the Public Works Department in common with other departments. In all matters in which no special rules exist in this Code, the general rules in the Travancore Financial and Account Code will apply.

3. For the sake of convenience the Code has been printed in two volumes, Volume I embodying the rules and Volume II containing the appendices and forms. The Public Works Department Code defining the scope of the administrative and executive functions of the Department is under compilation and will be published shortly. Till that Code is published, the rules contained in the Travancore Public Works Code and those issued through Government Orders relating to administrative matters with the exception of those which are in conflict with or superseded by the rules in the Travancore P. W. D. Account Code will continue to be in force.

4. Any errors or omissions which are noticed in this Code may be communicated to the Chief Engineer who will address Government in the Finance Department with a view to their rectification.

Huzur Cutcherry, }  
Trivandrum, }  
29th November 1942. }

A. LAKSHMINARAYANA AYYAR,  
*Financial Secretary to Government.*

# CONTENTS.

---

	PARAS
<b>CHAPTER I. Definitions . . . . .</b>	<b>1 - 59</b>
" <b>II. General outlines of the system of                 accounts . . . . .</b>	<b>60 - 72</b>
" <b>III. Relations with Audit . . . . .</b>	<b>73 - 88</b>
" <b>IV. Appropriations . . . . .</b>	<b>89 - 107</b>
" <b>V. Cash . . . . .</b>	<b>108 - 154</b>
" <b>VI. Stores . . . . .</b>	<b>155 - 225</b>
" <b>VII. Transfer Entries . . . . .</b>	<b>226 - 232</b>
" <b>VIII. Revenue Receipts . . . . .</b>	<b>233 - 257</b>
" <b>IX. Works Accounts . . . . .</b>	<b>258 - 368</b>
" <b>X. Manufacture Accounts . . . . .</b>	<b>369 - 381</b>
" <b>XI. Suspense Accounts . . . . .</b>	<b>382 - 405</b>
" <b>XII. Workshop Accounts . . . . .</b>	<b>406 - 416</b>
" <b>XIII. Deposits . . . . .</b>	<b>417 - 431.</b>
" <b>XIV. Non Government Works . . . . .</b>	<b>432 - 446</b>
" <b>XV. Transactions with other Divisions and                 Departments . . . . .</b>	<b>447 - 463</b>
" <b>XVI. Account returns of Sub Divisional                 Officers . . . . .</b>	<b>464 - 469</b>
" <b>XVII. Accounts of Divisional Officers . . . . .</b>	<b>470 - 523</b>
" <b>XVIII. Pay, Allowances and Contingencies . . . . .</b>	<b>524 - 544</b>

# TRAVANCORE

## PUBLIC WORKS ACCOUNT CODE

---

### CHAPTER I.

#### A. EXTENT OF APPLICATION.

The rules contained in this Code describe primarily the procedure relating to the initial and compiled accounts of officers of the Public Works Department. They are supplementary to the general rules in the Financial and Account Code which are applicable to that department unless there be something repugnant in the subject or context, or except to the extent that they are modified by the rules in this Code.

#### B. DEFINITIONS.

2. Unless there be something repugnant in the subject or context, the terms defined in this chapter are used in this Code in the sense hereinafter explained.

3. *Administrative Approval.* The term denotes the formal acceptance, by the Administrative Department concerned, of the proposals for incurring any expenditure in the P. W. D. on a work initiated by, or connected with the requirements of such Administrative Department. It is, in effect, an order to the P. W. D. to execute certain specified works at a stated sum to meet the administrative needs of the department requiring the work. See also paragraph 55 of this Code and paragraph 196 of the Travancore Public Works Department Code.

4. *Appropriation.* See paragraph 93.

5. *Book Transfer.* This term is applied to the process whereby financial transactions which do not involve the giving or receiving of cash, or of stock materials, are brought to account. They usually represent liabilities and assets of Government brought to account either by way of settlement or otherwise ; but they may also represent corrections and amendments made in cash, stock, or book transfer transactions previously taken to account.

6. *Commercial Department.* See Appendix 15 Travancore Financial and Account Code, Part II.

7. *Abandoned.* A work is said to be abandoned when, after it was started, it is given up before completion. The term 'abandoned works' does not include completed works.

8. *Contingencies (works)*. When used in respect of the accounts of works, the term 'contingencies' indicates the incidental expenses of a miscellaneous character which cannot appropriately be classified under any distinct sub-head or sub-work, but yet pertain to the work as a whole.

9. *Contract and Contractor*. The term contract, as used in this Code, means any kind of undertaking, written or verbal, express or implied, by a person, not being a Government servant, or by a syndicate or firm, for the construction, maintenance or repair of one or more works, for the supply of materials or for the performance of any service in connection with the execution of works or the supply of materials. The term contractor means a person, syndicate or firm that has made such an undertaking; but often its use is restricted to contractors for the execution of works or for services in connection therewith.

10. *Department*. This term when qualified by the prefix 'the' is used to indicate the Public Works Department.

11. *Deposit Works*. This term is applied to works of construction or repair the cost of which is met, not out of Government funds, but out of funds from non-Government sources, which may either be deposited in cash or otherwise placed at the disposal of the Divisional Officer. Works executed for Municipalities and other public bodies fall under this category when the cost is chargeable either to cash deposits made for the purpose, or to their credit balances at treasuries.

12. *Detailed head*. See paragraph 66.

13. *Direct charges and direct outlay*. These expressions as distinguished from indirect charges and indirect outlay (*vide* paragraph 22 below) are applied to those charges pertaining to a work project or job, which are directly incurred for its execution and are included in the regular accounts of it.

14. *Direction Office*. This term indicates the office of an administrative officer who has one or more Divisional Officers working under his orders and is not himself entrusted with the execution of works or with the receipts and disbursements of public money, *e. g.* the Chief Engineer; but if such an officer is also entrusted at any time with the receipt and disbursement of public money, he is treated as a Divisional Officer, even though some part of his emoluments may be treated as direction charges.

**15. Direction Officer.** The head of a direction office is known by this designation, *e. g.* The Chief Engineer.

NOTE :— The Chief Engineer is not a direction officer unless the direction of the business of one or more divisions is entrusted to him. Thus a Chief Engineer employed on special duty is not a direction officer.

**16. Direct receipts.** These receipts as distinguished from indirect receipts (*vide* paragraph 23) relate to items of revenue receipts which are realised in connection with a work or project either by officers of the P. W. D. or other departments and are directly brought to account as appertaining to the work or project.

**17. Division and Divisional Office.** Throughout this Code, these terms are used to denote respectively the executive charge held by a Divisional Officer (paragraph 18 below) and the head-office of such a charge.

**18. Divisional Officer.** In this Code the term is applied to an Executive Officer of the P. W. D. who is not subordinate to another executive or disbursing officer of the department.

Disbursing officers of other departments, if they spend Public Works funds and are required to render their accounts direct to the Audit Office, are also referred to as Divisional Officers in this Code.

**19. Final Payment** means the last payment on a running account made to a contractor on the completion or determination of his contract and in full settlement of the account.

**20. Grant.** See paragraph 90.

**21. Inclusive rate of cost** means the rate of cost of the entire work relating to a sub-head including the cost of materials if recorded separately in accounts.

**22. Indirect charges and indirect outlay.** These expressions are applied to those charges and capital outlay respectively which pertain or are incidental to a work, project, workshop job or manufacture job but which are not incurred directly and solely in connection therewith and thus cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the expenditure of the Department.

**23. Indirect receipts** are receipts which pertain or are incidental to a scheme or work but cannot be directly taken into such detailed account of it as are incorporated in the regular accounts of the receipts of the department.

**24. *Intermediate payment*** is a term applied to a disbursement of any kind on a running account, not being the final payment. It also means an 'on account payment' other than the final payment on a running account.

**25. *Issue rate***. This term denotes the cost per unit fixed, in respect of an article borne on the stocks of the department at a valuation for the purpose of calculating the amount creditable to the sub-head concerned (*i. e.* the sub-head under which the article is classified) of the stock account by charge to the account or service concerned when any quantity of that article is issued from stock.

**26. *Labour***. When a separate "materials account" is kept for one or more sub-heads of an estimate and the term 'labour' is used in connection with such an account, it denotes all charges pertaining to each of these sub-heads other than (i) the cost of materials issued direct and (ii) carriage and incidental charges in connection with the materials.

**27. *Liabilities***. When used in respect of accounts of works, this term includes all anticipated charges which are adjustable as final charges but have not been paid or adjusted regardless of whether or not they have fallen due for payment or adjustment or having fallen due, have or have not been placed to the credit of the persons concerned in a suspense head subordinate to the accounts of the work concerned.

**28. *Major Estimate***. It is a term applied to the estimate for a work when the sanctioned amount of the work expenditure exceeds Rs. 2,000. This term is also applied for the sake of convenience to the work itself.

**29. *Major Head***. See paragraph 66.

**30. *Market rate***. The term is used in respect of an article borne on the stock account of a division and indicates the cost per unit at which the article, or an article of similar description can be procured at a given time at the Stores Go-down from the nearest public market for obtaining the supply.

**31. *Minor Estimate*** is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure does not exceed Rs. 2,000. This term is also applied for the sake of convenience to the work itself.

NOTE. Petty works are those which cost Rs. 500 or less and are referred to as such in this and the Department Code.

**32. *Minor Head***. See paragraph 66.

**33. *Non-voted***. See paragraph 69.

**34. *On-account payment or payment on account*** means a payment on a running account, to a contractor in respect of work done or supplies made by him and duly measured. Such a payment may or may not be for the full value of the works or supplies ; if it is an intermediate payment, it is subject to the final settlement of the running account on the completion of the contract for the work or supplies.

**35. *Operation*.** Used in respect of the accounts of the manufacture and workshop transaction, this term indicates the charges incurred on the manufacture operations connected with specific jobs.

**36. *Out-turn*.** Used in respect of the accounts of manufacture and workshop transactions, this term denotes the value of the finished products (or of the work done, in cases in which the articles wrought are not supplied departmentally) of manufacture operations connected with specific jobs.

**37. *Primary Unit of Appropriation*.** See paragraph 90.

**38. *Progress*** means the up-to-date quantities of work done or supplies made.

**39. *Quantity*.** In the accounts of works, this expression is used to describe the extent of work done, supplies made or services rendered when those can be measured, weighed or counted.

**40. *Rate*.** In estimates of cost, contracts, contractors' bills and vouchers generally, rate means the consideration allowed for each unit of work, supply or other service. Except in the case of lump sum contracts, every bill or other demand for payment should, as far as possible, set forth the unit rate at which payment is to be made.

**41. *Rate of cost*** means generally the total cost of a work or supply divided by its quantity. In the accounts, it represents the recorded cost per unit, as arrived at by dividing the up-to-date final charge on a sub-head by the up-to-date progress thereof.

**42. *Re-appropriation*** means the transfer of funds from one unit of appropriation to another such unit.

**43. *Recoverable payment*** means a payment to or on behalf of a contractor which does not represent value creditable or payable to him, for work done or supplies made by him and has therefore to be made good to Government by an equivalent cash recovery or short payment of dues.



44. *Running account.* It is a term applied to the account with a contractor when payment for work or supplies is made to him at convenient intervals subject to final settlement of account on the completion or determination of his contract.

45. *Secondary Unit of appropriation.* See paragraph 90.

46. *Section Officer.* This designation is used in this Code to describe those officials, usually non gazetted subordinates, who are placed in responsible executive charge of a portion of a work, of a single large work, of a number of works or of a territorial jurisdiction under the orders of an officer in charge of a recognised sub-division and the accounts of whose transactions are, therefore, ultimately incorporated in those of the sub-division.

47. *Secured Advance* is a term applied specifically to an advance made, on the security of materials brought to site of works, to a contractor whose contract is for the completed items of work. See paragraph 288 of this Code.

48. *Special Office* means the office of a Special Officer.

49. *Special Officer* (or specialist officer). The term is applied in this Code to such officers of the department as are neither Divisional Officers nor officers subordinate to a Divisional Officer.

50. *Sub-Divisional Officer.* This designation is applied primarily to an officer, whether a gazetted officer or not, who holds the charge of a recognised sub-division in subordination to a Divisional Officer, but when the immediate executive charge of any works or stores has not been constituted into a regular sub-divisional charge but is held by the Divisional Officer himself, the latter is also treated as the sub-divisional officer in respect of such charge. When a Divisional Officer holds the immediate charge of a recognised sub-division in addition to his own duties as the executive head of the division, he is treated as the Sub-divisional officer in respect of the charge of the sub-division.

51. *Sub-Head.* In the accounts of works and in working estimates, this term is used to describe the sub-divisions into which the total cost of a work (or of its sub-works if it is a large work) is divided for purposes of financial control and statistical convenience. The several descriptions of works that have to be executed in the course of construction or maintenance of a work or sub-work (e.g. excavation, brick-work, concrete, wood-work, etc.) are usually treated as the sub-heads of it.

**52. Sub-Work.** In the case of a large work consisting of several buildings or smaller works, or groups thereof, the term sub-work is often applied to a distinct unit of the same if that unit is sufficiently large or important to be kept distinct for the purposes of accounts; for example the outer wall, the solitary cells, the cook houses, the jailor's quarters, etc., in the case of a large central jail.

In the case of Irrigation, Navigation, Embankment, Drainage and Water-Supply projects, the head works, main line, each branch of a canal, each group of distributaries relating to each branch separately, the drainage and protective works, the water course scheme and special tools and plant, all form separate sub-works.

**53. Supervision charges.** This term is ordinarily applied to the charges which are levied, in addition to book value and storage charges, in respect of stock materials sold or transferred and are intended to cover such items of the expenditure incurred on the stores as do not enter their book value.

**54. Suspense accounts.** This term is applied primarily to certain heads of account falling under the minor head 'suspense' of a major head of expenditure which are reserved for the temporary passage of such transactions as must at once be taken to the account of the sanction or grant concerned but cannot be cleared finally either because the relevant payment, recovery or adjustment is awaited, or because it is necessary to keep an effective watch over the values of any stock materials until their final disposal. The charges under a suspense account are taken in enhancement of the charges under the major head of expenditure concerned and the receipts in reduction thereof. For suspense accounts within the accounts of works see paragraph 329.

**55. Technical Sanction.** This name is given to the order of competent authority sanctioning a properly detailed estimate of the cost of a work of construction or repair proposed to be carried out in the P. W. D. Ordinarily, such sanction can only be accorded by Government or by such authorities of the department to whom the power has been delegated by Government. Sanction accorded by any other department of Government is regarded merely as an administrative approval of the work (*vide* paragraph 3.)

**56. Unit of appropriation.** (*Vide* para 90.)

**57. Voted.** See paragraph 69.

**58. Work.** The term 'work' when by itself, is used in a comprehensive sense and applies not only to works of construction or repair but also to other individual objects of expenditure connected

---

with the supply, repair and carriage of tools and plant, the supply or manufacture of other stores, or the operations of a workshop.

**59. *Works Expenditure and Works Outlay.*** These terms are used to indicate respectively the expenditure and the capital charges on the special services connected with the construction, repair and maintenance of works. The charges falling under these categories may be met when, under rule, any receipts are taken in reduction of the charges—but they do not include the cost of the general services tools and plant and establishment, or any charges not taken to final heads of account but kept under one of the suspense accounts.

---

## CHAPTER II.

## General Outlines of system of Accounts.

## A. CLASSIFICATION OF TRANSACTIONS.

60. \*The Public Works Department executes primarily works of all classes required for all departments under the control of Government except such works as may be entrusted to the administration of the departments concerned, (*vide* chapter XIII of the Travancore Financial and Account Code and paragraphs 190 and 191 of the Public Works Department Code.)

The local works on behalf of the Resident, Madras States are also entrusted to the department. At times, non-Government or private works including the works of local bodies are also carried out by the department.

NOTE. Besides the foregoing, petty services such as the manufacture or supply of stores are also undertaken by Divisional Officers.

61. The general principles and rules to be followed in the classification of expenditure are detailed in para 70 of the Audit Code.

62. Transactions relating to the charges and receipts connected with the services pertaining to the works of the department are adjusted finally in the accounts of the Divisional Officers against the provision of funds thereof placed at their disposal.

Transactions connected with the services for works of other departments are not adjusted finally but pass eventually out of the accounts of the Divisional Officers for incorporation in the accounts of the departments concerned. Transactions connected with the services for works on behalf of the Resident, Madras States, are also not adjusted finally but pass eventually to the accounts with British Government for recovery and adjustment. Outlay on non-Government works is charged against the deposits received therefor.

(1) When a division undertakes a service on behalf of another division, the connected transactions are passed on for adjustment finally in the accounts of the latter division.

(2) Operations undertaken in the manufactories and workshops of a division on behalf of other divisions, departments, local bodies or individuals are treated as operations of the division in the first instance, but the entire cost is ultimately passed on for adjustment in the accounts of the divisions, or adjusted by debit to the departments concerned in the Accountant General's Office or recovered from the local bodies or individuals concerned.

---

\* Civil works (civil and military buildings and communications) Irrigation works, Navigation works, Embankment works, Water Supply and Drainage works,

63. In all cases the primary accounts of these transactions should be kept in accordance with the rules of this Code, even though the ultimate cost of the transactions may not have to be brought to account finally in the books of the Divisional Officer.

64. The performance of these services and the subsidiary proceedings give rise to a number of other transactions with other departments etc. which have also to be brought to account, *e. g.* funds have to be obtained from the treasuries to meet liabilities incurred, receipts realised have to be lodged in treasuries and stores have to be obtained from other divisions or departments or from outside.

65. The transactions of the Public Works Officers may thus be grouped under the heads indicated below :

- (1) *Expenditure heads* :—for charges adjustable finally in the accounts of the Divisional Officers.
- (2) *Revenue heads* :—for revenue receipts creditable finally to Government in the accounts of the Divisional Officers.
- (3) *Remittance heads* :—for receipts as well as payments for cash, stores or other values received from or paid to on behalf of other divisions or departments.
- (4) *Debt heads* : for certain receipts and payments held in suspense pending clearance by payment or recovery (as the case may be) in cash or otherwise. The suspense accounts for transactions of this group are treated either as heads subordinate to the expenditure heads or as independent heads of accounts as will be explained in later chapters.

66. The transactions under each of these groups are further sub divided for purposes of accounts. In the case of expenditure and revenue heads, the main unit of classification is known as the major head and the further divisions of it as minor heads, each of which has a number of subordinate heads, generally known as detailed heads.

- (1) For departmental purposes, Public Works officers usually divide a detailed head into a number of 'service heads' but for purposes of account the single term, 'detailed head' is used for all divisions subordinate to a minor head.

67. The detailed classification of the account heads used in respect of Public Works accounts is given in Appendix I.

- (1) In the case of works of other departments undertaken by the P. W. D. as a standing arrangement, the prescribed classification applicable to the connected transactions is intimated by the Accountant General.

68. Revenue is realised and placed to the credit of Government as it falls due under the statutory or other rules governing it but expenditure can be incurred only against a grant voted by the Legislature or allotted by the Government.

69. All expenditure of the public works department is subject to the vote of the Legislature with the exceptions of the items enumerated below, funds for which may be provided without reference to the Legislature.

- (1) Expenditure which is obligatory under any law.
- (2) Works relating to
  - (a) Palaces
  - (b) Government Houses.
  - (c) Guest Houses.
  - (d) Travancore Houses, New Delhi and Madras.
  - (e) H. H. the Maharaja's Garage and Stables.
- (3) Salary and allowances of officers holding appointments the pay or the maximum pay of which is not less than Rs. 500 per mensem.

The terms *voted* and *non-voted* are used to distinguish expenditure subject to the vote, from that falling under these exceptions.

70. The term 'expenditure' used in paragraphs 65, 66 and 69 includes also charges classified as *working expenses* which are taken in reduction of revenue receipts. It does not include any recoveries of expenditure which may, for account purposes, be treated as *minus* expenditure.

## B. SYSTEM OF ACCOUNTS.

71. The main features of the system of Public Works Accounts are—

(a) The Divisional Officer is the primary disbursing officer of the division and is permitted to obtain by *draws* on treasuries against Letters of Credit (Treasury Code Form 17) the money required for all disbursements in connection with the execution of works. He also collects some of the departmental receipts of the division and pays them into treasuries.

(b) The accounts of these receipts and disbursements (including the transactions of subordinate officers acting on his behalf) are compiled under his supervision by an Accountant posted to his office by the Accountant General and are submitted monthly to the Accountant General who audits them against sanctions and appropriation of funds and incorporates them in the general accounts of the State.

(c) He is further required to maintain clear accounts of all stores received by him and to make these accounts available for audit by the Accountant General.

(d) Under each major head of expenditure, the charges on each project, work, or sub-work are recorded separately in the accounts of the Divisional Officers. In the case of works of certain classes (see examples cited below) *pro-forma* accounts of all transactions connected therewith are prepared annually by the Accountant General and for this purpose the receipts pertaining to each work of this class in so far as the Divisional Officer is responsible for realising and accounting for the same are also shown separately in division accounts.

(1) Irrigation, Navigation, Embankment, Water Supply and Drainage works for which both capital and revenue accounts or only revenue accounts are kept.

(2) Quasi commercial undertakings such as Workshops.

(3) Residential buildings.

(e) Personal payments to all Government servants of the Department are made on bills presented at treasuries in accordance with the general rules of the Financial and Account Code applicable to all departments and are therefore brought to account by the Accountant General himself from data furnished to him direct by Treasury Officers.

72. It is not sufficient that an officer's accounts should be correct to his own satisfaction. A disbursing officer has to satisfy not only himself but also the Audit Department that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports and that an account is correct in all respects. It is necessary that all accounts should be so kept and the details so fully recorded as to afford the requisite means for satisfying any enquiry that may be made into the particulars of any case, even though such enquiry may be as to the economy or the bonafides of the transactions. It is further essential that the records of payment, measurement and transactions in general must be so clear, explicit and self-contained as to be producible as satisfactory and convincing evidence of facts, if required in a Court of Law. All transactions involving the giving or taking of cash, stores, other properties, rights, privileges and concessions which have money values should be brought to account. The record of a transaction of receipts or expenditure should always be made at once under the final or the debt or remittance head to which it pertains if that be known; but if the exact head cannot be ascertained at once, then the transaction should be temporarily classified under deposits if a receipt or under Miscellaneous Public Works Advances, if a charge.

---

CHAPTER III.

## Relations with Audit.

## A. GENERAL.

73. The Divisional Officer, as the primary disbursing officer of the division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the transactions correctly and in accordance with the rules in force. See also paragraphs 79, 83 and 84 of the Public Works Department Code.

74. The Divisional Officer is further required to submit his accounts to the Accountant General who has to apply to them such audit checks as are detailed in Chapter I of the Audit Code and other rules that may from time to time be prescribed by Government (*vide* para 79 of the Department Code.)

The accounts returns which have ordinarily to be submitted for audit and compilation are enumerated in chapter XVII but the Accountant General is authorised to call for additional accounts, books, papers and writings or other information having relation thereto, should he consider them necessary for the elucidation thereof.

75. The Divisional Officer is responsible that the accounts of his division are not allowed to fall into arrears but if arrears or confusion arise which in his opinion cannot be cleared without the assistance of the Accountant General, he should at once apply for such assistance explaining the circumstances which led to such a state of affairs and why it cannot be attended to by the normal staff of the Division (*vide* para 83 of the Public Works Department Code.)

## B. DIVISIONAL ACCOUNTANT.

76. To assist the Divisional Officers in the discharge of their responsibilities referred to in paragraphs 71 and 72, the Accountant General will post a Divisional Accountant to each Division Office.

Rules regarding the establishment of Divisional Accountants are given in Appendix III.

77. (a) The functions of the Divisional Accountant are threefold :

(i) As Accountant, i. e., as the compiler of the accounts of the division in accordance with the prescribed rules and from the data furnished to him.



(ii) As primary auditor *i. e.*, as the representative of the Audit Department charged with the responsibility of applying certain preliminary checks to the initial accounts, vouchers etc., (see chapter XVII), and

(iii) As Financial Assistant, *i. e.*, as the General Assistant and Adviser to the Divisional Officer in all matters relating to accounts and budget estimates or to the operation of financial rules generally.

(b) In the discharge of these duties, he is expected to keep himself fully conversant with all sanctions and orders passing through the office and with other proceedings of the Divisional Officer and his subordinates which may affect the estimates or accounts of actual or anticipated receipts and charges. He should advise the Divisional Officer of the financial effects of all proposals for expenditure and keep a watch, as far as possible, over all the liabilities against the grants of the division as they are incurred.

(c) The Divisional Officer should see that he is given the fullest opportunity of being conversant with these sanctions, orders and proceedings. To enable him to discharge his duties efficiently, the Divisional Accountant is treated as the senior member of the office establishment of the division.

78. The Divisional Accountant is expected to see that the rules and orders in force are observed in respect of all the transactions of the division. If he considers that any transaction or order affecting receipts or expenditure is such as would be challenged by the Accountant General if the primary audit entrusted to the Accountant were applied by the former, it is his duty to bring this fact to the notice of the Divisional Officer with a statement of his reasons and to obtain the orders of that officer. It will then be his duty to comply with the orders of the Divisional Officer; but if he has been over-ruled and is not satisfied with the decision, he should at the same time make a brief note of the case in the register of Divisional Accountant's audit objections, in P. W. A. form No. 56, and lay the register before the Divisional Officer, so that the latter may have an opportunity either of accepting the Divisional Accountant's suggestion on reconsideration and ordering action accordingly or of recording, for the information of the Accountant General, his reasons for discarding that suggestion. An objection entered in this register should not be considered as finally disposed of until it has been reviewed by the Accountant General for whose inspection the register should be available at all times.

79. (a) The Divisional Accountant should bring to the Divisional Officer's notice all instances in which subordinate officers exceed the financial limitations on their powers placed by the Divisional Officer or higher authority.

- (i) For example, if the Divisional Officer is allowed a lump sum appropriation for expenditure on a group of works and he has made out of it appropriation for individual works, expenditure should be watched against individual appropriation and excesses brought to the Divisional Officer's notice. But if a lump sum appropriation is made for a group of works or items of expenditure of a division, the total expenditure thereon will be audited against the lump sum placed at the disposal of the Divisional Officer for the purpose.

NOTE.—The check against any specific reappropriation which the Divisional Officer may make out of any lump sum placed at his disposal is conducted by the Divisional Accountant on his behalf.

(b) He may further be required by the Divisional Officer to undertake on his behalf such other scrutiny of the accounts of the receipts and disbursements of subordinate officers falling within the Divisional Officer's own powers of sanction as the latter may consider necessary.

(c) The Divisional Accountant will be solely responsible for the issue of objections on account of excesses over or for want of sanctioned estimates in the case of petty works, vide paras 204 and 207 (iii) of the Public Works Department Code, except civil works, deposit works, maintenance of staff boats, estimates for losses on stock and works for other departments. He should maintain an objection book in P. W. A. form No. 79 to record and watch the clearance of such irregularities. The Accountant General will examine the register during his annual inspections.

80. The Divisional Accountant should inspect at least once a year, under the orders of and at the same time as the Divisional Officer, the accounts records of sub-divisional offices and check a percentage of the initial accounts. The defects noticed should be reported to the Divisional Officer for orders, but the Divisional Accountant will be responsible, as far as possible, for personally explaining the defects of procedure and imparting necessary instructions thereon to the Sub-Divisional Officers and their staff.

(1) The results of these inspections should be placed on record for the inspection of the Accountant General, but serious financial irregularities should be reported at once for the information of that officer even though set right under the orders of competent authority. See also Article 173 of the Travancore Financial and Account Code requiring a report to be made immediately to the Accountant General of all defalcations or losses of public money, stores or other property.

(2) The accounts of interest-bearing securities maintained by Sub-Divisional Officers should be examined to see that the rules relating to them are observed and that the register in P. W. A. form No. 77 is correctly maintained, and with this object a few

transactions of the register should be compared with the entries in the cash book or other account and vice versa. The securities certified as being on hand—vide para 431—should be verified by inspection as far as possible and it should be seen, in respect of such of them as are not produced for inspection, that there are in existence either the original acknowledgments of the depositors bearing dates subsequent to the dates of the last account, or the acknowledgments of the authorised custodians, as the case may be.

81. Two sets of questions for the guidance of the Divisional Accountants in carrying out his inspections are contained in Appendix IV of this Code. Part I of the questions contains the subjects which should necessarily be examined by the Accountants. Part II refers to matters about which the Accountants should obtain, before commencing their inspections—the specific orders of the Divisional Officer, in writing, as to whether they should examine them or whether the Divisional Officer would take them up. The Accountant will then take up those subjects in Part II which the Divisional Officer has ordered him to do so. The remaining points therein should be examined by the Divisional Officer himself.

82. The Divisional Officer has a right to seek the advice of the Accountant General in all matters connected with the accounts of his division or the application of financial rules and orders concerning which there may be any doubt. It will usually be desirable, however, that he should first obtain the advice of the Divisional Accountant who is specially trained for this duty, and this should be done in writing in all cases of importance—vide para 83 of the Department Code.

### C. AUDIT INSPECTIONS.

83. The Accountant General arranges for the periodical test audit and local inspection of the accounts of the Divisional and Sub-Divisional Offices, and the Divisional Officer is responsible that the initial accounts and other connected records are made available for inspection. Inspecting officers are required, if possible, to discuss the drafts of their reports with the Head of the office inspected before submitting them to the Accountant General, and for this purpose it is desirable that the Head of the office should be present at the inspection, unless his presence is urgently required elsewhere (vide also G. O. No. Fl. 1325/45 of 19 dated 10-8-1923.)

The following procedure should be adopted in dealing with the reports of inspection of the accounts of Divisional Offices:—

(1) The report will be sent officially by the Accountant General to the Executive Engineer concerned who should forward it with his explanation to the Chief Engineer within one month of the receipt of the report,

(2) The Chief Engineer should forward the report to the Accountant General with his remarks and orders within one month of the receipt by him from the Executive Engineer.

(3) The Accountant General will forward to the Chief Engineer for further remarks extracts from the reports which may seem to call for notice.

(4) The Chief Engineer will deal with all matters within his competence and refer the rest to Government for orders. A copy of the Chief Engineer's orders on the Accountant General's reference should be sent to the Accountant General within a month of the receipt by the Chief Engineer of the Accountant General's reference. The Chief Engineer should also send to the Accountant General copies of any separate reference which he makes to Government. Only those cases where an officer has to be censured or where money is to be written off or where important questions of policy or procedure are involved should be referred to Government.

(5) The Accountant General will refer to Government, separately, questions on which he does not accept the Chief Engineer's orders, and general questions of policy or importance on which he requires the decision of the Government.

NOTE 1. The dates specified above should be strictly observed.

NOTE 2. The Chief Engineer and other officers should specify a time limit for reply when calling for explanations and strictly enforce the time limit. The particular points on which further information is required should be specified not only in the reference but in the proceedings sent to the superior or audit authority.

NOTE 3. The Audit Department has power to examine contracts and to bring, before Government, any case where competitive tenders have not been sought, or where high tenders have been accepted, or where other irregularities in procedure have come to light.

NOTE 4. Inspecting officers wishing to make comments on the confidential records shown to them should write such comments in their own hand, treat them as strictly confidential and submit them separately from the general audit report to the Accountant General.

#### D. COMMUNICATION OF SANCTIONS TO AUDIT.

84. As a general rule, every sanctioning authority is responsible that all sanctions and orders against which audit of receipts or disbursements is to be conducted in the Audit Office are communicated to it in accordance with the procedure in force. See paragraph 350 of the Public Works Department Code, *vide* also paragraph 531 of this Code.

(1) Audit against sanctions accorded by the Divisional Officer is conducted in the Audit Office only in respect of technical sanction to estimates. In respect of other sanctions of the Divisional Officer, the Divisional Accountant is responsible for the necessary check, (*vide* paragraph 79.)

(2) Sanctions to contract agreements accorded by authorities higher than the Divisional Officer should be communicated by them to the Accountant General in such form as to enable that officer to audit the payments to contractors on the basis of rates sanctioned for each item of work or supply and other necessary terms and conditions.

### E. RESULTS OF AUDIT.

**85.** The results of audit are communicated to the Divisional Officer in the form of audit notes, objection statements, inspection reports, letters or memoranda. These should receive prompt attention, *vide* Article 153 of the Financial and Account Code and the replies of the Divisional Officer should be based, as far as possible, on his own knowledge. It is not enough to pass on the explanation of a subordinate; reports prepared in this manner may, by lulling suspicion, lead to greater irregularity afterwards.

**NOTE.** Each audit note should be returned to the Audit Office within 15 days of its receipt in the Divisional Office.

**86.** Objection statements and inspection reports should be returned through the Chief Engineer after the Divisional Officer has recorded his replies thereon. The Chief Engineer will pass orders in respect of matters which he is competent to deal with finally and record his remarks (with a note of the action taken) on all other points before returning the documents to the Accountant General.

**87.** Once a transaction has been entered in the objection statement or otherwise challenged in one of the other documents referred to in paragraph 85, the responsibility for having the objection removed will devolve upon the Divisional Officer, and the Accountant General is required to report to the higher authorities cases in which the objections are not cleared within a reasonable time.

**NOTE.** An audit objection is usually removed by obtaining the requisite sanction, by making the necessary recovery, by correcting or completing the relevant account or voucher, by furnishing the necessary documents or information or by otherwise securing compliance with the provisions of a specified rule. In cases in which a protest is made against an audit objection as being incorrect, the objection should be held to be in force unless a formal intimation of its withdrawal is received from the Audit Office.

88.—The Audit Office is required to place under objection any transaction coming to its notice which is not covered by adequate sanction or involves an excess thereon or other deviation. In some cases, the Divisional Officer may have already taken action to regularise the transactions, or the excess (if any) over sanction plus any further excess that may be anticipated may be within his powers of sanction without preparing a revised estimate and he may have accorded the necessary formal approval to it ; yet, if the necessary intimation of sanction does not reach the Audit Office when the Divisional accounts in which the regular transaction appears are being audited, the Audit Officer is bound to raise the objection, as that officer is not authorised to assume that the necessary sanction has been accorded. Divisional Officers will therefore find it advisable to send to the Audit Office the earliest intimation of such of their sanctions and orders as are required to be communicated to audit (*vide* paragraph 84) and to give it, without waiting for the receipt of the objection statement or audit note, all necessary information in regard to transactions for which, within their knowledge, adequate authority does not exist. A single note or statement prepared monthly and signed by the Divisional Officer himself will ordinarily suffice in respect of transactions brought to account in the monthly account—but if it cannot precede or accompany the monthly account, it should be sent to the Audit Office within a week of the despatch of the account.

NOTE (i) The object of this rule is to obviate the issue of unnecessary audit objections ; but a reduction in the number of objections can be effected only by observing the requirements of the financial and other rules bearing on the transactions and by taking timely action to accord or obtain, as the case may be, such sanction or order as may be required in cases in which a deviation from rule has occurred.

NOTE (ii) The Divisional Accountant is responsible (a) for bringing prominently to the notice of the Divisional Officer, at least once a month in a register specially maintained for the purpose, all irregular transactions on which action has not already been taken by the latter at the instance of Sub Divisional Officers or of his own motion and

(b) for giving effect to the provisions of this paragraph in accordance with the procedure which the Divisional Officer may have desired to be observed in this connection.

## CHAPTER IV.

### Appropriations.

#### A. INTRODUCTORY.

89. (a) Expenditure can only be incurred on a work or other object :—

(i) If sanction of competent authority has been obtained as required by any orders, general or special, issued thereunder by competent authority, *e. g.* the rules in any authorised code; and

(ii) If funds to cover the charge during the year have been provided by competent authority.

In the case of charges against suspense accounts, any expenditure which is not expected to cause an excess over the net provision for the year, may be held to be covered thereby. (See also paragraph 102.)

(iii) If no breach of the canons of financial propriety as laid down in article 37 of the Travancore Financial and Account Code is involved.

(b) For payments chargeable to the accounts of other divisions, departments, or the Residency, Madras States, of non-Government works and repayments of deposits, a Divisional Officer does not require any specific provision of funds within the appropriations for his own division. It is sufficient to see that such payments are made only in accordance with the rules in the relevant chapters of this Code.

For inevitable payments uncovered by sanction or provision of funds, see articles 88 and 89 of the Travancore Financial and Account Code.

#### B. GRANTS AND THEIR DISTRIBUTION.

90. A grant or supplementary grant may include expenditure falling under one or more major heads or sections of a major head. For purposes of accounts classification, each major head of account is divided into minor heads,—the latter being further divided into detailed heads, service and departmental heads—(vide para 66). The sub-divisions of a minor head from the point of view of the distribution of grants and the control of expenditure are known as primary and secondary units of appropriation, (vide also illustration under Article 851 of the Travancore Code).

91. The distribution of grants is usually effected as under:

(i) The whole or a part of the appropriation for a primary unit within a grant may be placed at the disposal of the Chief Engineer or a disbursing officer, or the unit may be broken up into a number of secondary units (to cover a number of works or a number of detailed heads of account) and the appropriation for any of these, wholly or in part, may be placed at his disposal.

(ii) The Chief Engineer at whose disposal an appropriation for a primary or secondary unit has been placed, may out of it allot funds for expenditure on specific work or item, or on a group of works or items.

(iii) The sum of all appropriations made by the Chief Engineer from a unit should not exceed the amount of the unit, or portion thereof, placed at his disposal.

(iv) The appropriation for a unit can be increased or decreased only by a formal order of reappropriation authorising a transfer of funds from or to another unit.

92. An appropriation or reappropriation within the grants of a year can be authorised at any time before, but not after, the expiry of the year.

93. An appropriation is intended to cover all the charges, including the liabilities of past years, to be paid during the year or to be adjusted in the accounts of it. It is operative until the close of the financial year. Any unspent balance lapses and is not available for utilisation in the following year but the Government will ordinarily endeavour to include any anticipated lapse in the demand for the following year.

(i) The financial year closes on the last day of Karkatagom. After that date all cash and stock transactions are treated as pertaining to the following year but bonafide transfer entries are permissible for some months, *vide* para 508.

94. (a) The Accountant General is responsible for watching, firstly, that the total expenditure under a grant does not exceed the grant and, secondly, that the total expenditure on each primary unit within a grant does not exceed the appropriation therefor as modified by orders of reappropriation passed by competent authority from time to time.

(b) In compliance with paragraph 89 (a) (ii), he must further see that, if a work or other object of expenditure requires a specific appropriation, all expenditure on it is audited against such appropriation.



(c) When, however, several Divisional Officers are authorised to incur charges relating to a unit of appropriation against a lump sum appropriation placed for the purpose at the disposal of the Chief Engineer, it devolves upon him to watch the progress of expenditure in all the divisions and to keep the aggregate charges within the appropriation. If the Accountant General is requested by the Government to audit the charges against the appropriation, he will comply with the request.

95. The procedure relating to the preparation of demands for grants is laid down in the Legislative Council Rules and that relating to the appropriation and reappropriation of funds and to budget matters generally is laid down in the Financial and Account Code, Chapter XXIII. (See also paragraph 107.)

96. A Divisional Officer at whose disposal a lump sum appropriation has been placed for a group of works or items may allot out of it funds for specific works or items.

### C. WATCHING OF ACTUALS.

97. It is an important function of the Divisional Officer to keep a constant watch over the progress of expenditure and to keep himself informed of such circumstances as may affect the progress of expenditure, in order to take early steps for obtaining extra funds or surrendering probable savings, as may be necessary. The plan to be followed in actual practice for this purpose will be slightly different in the case of expenditure met by means of cheques drawn on the treasury and accounted for monthly in the Divisional Accounts from that to be followed in the case of expenditure met by bills presented at the Treasury and not passing through the Divisional Accounts.

#### I. *Expenditure incurred by cheques drawn on the treasury.*

98. It will be found convenient in practice to adopt the following plan for watching the progress in the case of expenditure by means of cheques drawn on treasuries.

(a) The progress of expenditure on works or other items for which there are specific appropriations should be watched individually month by month through the register of works and other relevant accounts.

(b) In respect of works or other items for which lump sum appropriations are placed at the Divisional Officer's disposal, he will watch the progress of expenditure against appropriations by the maintenance of a record (i) of the expenditure in the form of a progressive abstract showing, month by month, the up-to-date expenditure of the year, and (ii) of the grants in the form of a register showing the appropriations and reappropriations ordered from time to time.

(c) In the case of suspense heads, the suspense schedules in forms 61 to 63 can be utilised after noting in them the appropriation for the year and watching the expenditure against such appropriation. Thus the divisional accounts can be utilised for watching the progress of expenditure against the appropriation.

99. The Divisional Officer should prepare a monthly statement in suitable form for each major head of account to take a comprehensive view of the expenditure of the division as a whole and also to enable the Chief Engineer to watch the progress of expenditure in the several divisions severally and collectively. This statement should show the various minor and detailed heads (primary and secondary units of appropriations), individual works for which specific appropriations have been sanctioned by a higher authority, as well as the appropriations therefor as modified from time to time. Works for which a lump sum appropriation has been placed at the disposal of the Divisional Officer may, however, be grouped together and only the totals shown. The expenditure incurred under each primary and secondary unit and under any work or item requiring a specific appropriation should be posted in the relevant column from the register of works and the schedules of works expenditure in P. W. A. form No. 59. In the case of the suspense heads, the net debit or credit alone need be posted from the register in P. W. A. form No. 61. Undischarged liabilities and anticipated credits should be separately recorded in the column provided for the purpose as it is necessary to take them into account in reviewing the progress of expenditure (*vide* paragraph 101). The special attention of the Divisional Officers is drawn to paragraph 103.

100. The statement referred to in paragraph 99 above should be completed within a week after the date fixed for the closing of the Divisional Accounts and a copy should be forwarded to the Chief Engineer with such proposals as the Executive Engineer may think necessary for the reappropriation of funds or for the surrender of probable savings. The Divisional Officer should attach special importance to the statements after the first six months of the year and should devote particular attention to their review.

101. (a) In this review of expenditure, undischarged liabilities play an important part and their effect on individual and lump sum appropriations should, therefore, be watched.

NOTE. 1. Liabilities may be divided into four classes :

- (i) those outstanding in the suspense accounts relating to contractors and labourers in the accounts of works.

- (ii) those outstanding in any of the regular suspense accounts of the division,
  - (iii) outstanding debits adjustable by book transfer, and
  - (iv) matured claims of contractors, suppliers, etc., awaiting settlement and all unmatured claims, recurring or non-recurring likely to fall due for settlement before the close of the year. Liabilities of class (ii) may affect not only the grants for the minor head 'suspense' of the major head under which the suspense account concerned is classed, but also the grants for works and services falling under the same and other major heads; see also paragraph 102.
- (b) Anticipated credits (if any) which will ultimately be taken in reduction of the expenditure chargeable against any individual or lump sum appropriation should also be taken into account, (see statement A—Appendix I).
- (c) This review is of special importance during the last four months of the year.
- (d) This review should also be conducted collectively in respect of each primary or secondary unit of appropriation, a suitable register of appropriations being maintained for the purpose (see 98-(b) (ii) above). Such a review is of special help in formulating proposals for reappropriation.

**102.** The following points should receive special attention :

The appropriations for suspense accounts provide for the net increase or decrease during the year, that is, for the difference between the gross debit and the gross credit for the whole year. They impose an obligation on the Divisional Officer so to regulate his transactions during the year as to work up to the anticipated increase or decrease in the suspense balances. There is a corresponding obligation on him to make, in the accounts of the year, all the adjustment, recoveries or payments necessitated by the actual transactions of the year. This responsibility is in respect of both the opening balance and the fresh operations (debits and credits) of the year. When the clearance of any items is likely to cause any additional charges against other units of appropriation, the funds necessary to meet the charges should be reserved under these units.

**103.** All liabilities and assets of the division adjustable by transfer credit or debit to remittance heads of account should be registered in P. W. A. form No. 53, register of transfers awaited, as soon as they become known. As soon as they are cleared an entry should be made in columns 7 to 9 so that items awaiting adjustment may be known at any time.

---

*II. Expenditure incurred by bills drawn on the Treasury.*

**104.** The only expenditure that falls under this category is that classified under the minor head salaries, establishment and contingencies relating thereto. The detailed procedure for controlling expenditure is contained in chapters IX to XI of the Travancore Financial and Account Code.

*III. Duties of the Chief Engineer.*

**105.** The Chief Engineer should, after a thorough review of the statement received from the Divisional Officers, take such action as he considers necessary without delay and consolidate the statements of the Divisional Officers in order to review the progress of expenditure against the appropriation placed at his disposal. A copy of the Divisional statement should also be forwarded to the Audit Office.

**106.** The Audit Office will check the division report with its own accounts and return it with corrections, the reasons for which should be explained to the Chief Engineer. Any corrections made by the Audit Office should be incorporated by the Chief Engineer and communicated to the Executive Engineer.

*IV. Miscellaneous.*

**107.** The detailed rules relating to the preparation of demands for grants, to the appropriation and reappropriation of funds and to Budget matters generally are laid down in Chapter XXIII of the Travancore Financial and Account Code. The powers of reappropriation delegated to the Chief Engineer and the Divisional Officer will be found in Chapter VI of the Travancore Public Works Department Code.

---

## CHAPTER V.

## Cash.

## A. INTRODUCTORY.

**108.** The term 'cash' as used in this chapter includes legal tender coin, currency notes, cheques payable on demand, remittance transfer receipts and demand drafts. A small supply of one anna receipt stamps may, when necessary for use as receipt stamp, be kept as part of the cash balance. Government Savings Bank deposits, Government of Travancore Pro-notes and Government of India Securities accepted as security deposits under the provisions of paragraph 417 are not to be treated as cash. See also articles 195 to 211 of the Travancore Financial and Account Code.

**109.** Primarily, the Divisional Officer is the responsible disbursing officer of the division but this function may be delegated to his subordinate officers in certain cases (*vide* para 261).

**110.** Every Government servant is personally responsible for the money which passes through his hands and for the prompt record of receipts and repayments in the prescribed account as well as for the correctness of the account in every respect. The private cash or accounts of members of the department may not be mixed up with the public cash or accounts.

## B. MODES OF OBTAINING CASH FROM TREASURIES.

## 1. General.

**111.** Disbursing officers of the department obtain cash for disbursement in two ways, *viz.* directly by bills drawn on the treasury or by means of cheques. For payment of pay and allowances of Government servants on the regular establishment not charged directly to works and for office contingent charges, certain heads of offices and other officers draw bills on treasury in prescribed forms in accordance with the rules in the Travancore Financial and Account Code Chapters IX to XI.

All other disbursements are made by Divisional Officers who may empower sub-divisional officers to make disbursements on their behalf. For this purpose, Divisional Officers are placed by the Accountant General in account with one or more treasuries by means of letters of credit (form No. 17) and they may either authorise Sub Divisional Officers to obtain money from the treasuries within the jurisdiction of the latter by drawing cheques (up to a specified limit) or place them in funds by means of a fixed imprest.

**112.** The appropriation of departmental receipts to expenditure in the department is strictly prohibited except in the case provided for in paragraph 127. See also article 78 of the Travancore Financial and Account Code.

**113.** The procedure prescribed for accounting for cash obtained from treasuries on bills for pay and allowances of establishment not charged directly to works or on contingent bills is detailed in Chapters IX to XI of the Travancore Financial and Account Code. Undisbursed balance of cash thus obtained may be kept in departmental cash chests and accounted for in account form No. 15 of the Financial and Account Code but they should not be mixed up with the regular cash balances of the department, accruing from money obtained on cheques, which are dealt with and accounted for in accordance with the rules in the following paragraphs.

**114.** When for the convenience of work it is necessary that the Divisional Officer or any of his subordinate disbursing officers should be authorised, either occasionally or as a standing arrangement, to draw cheques on a treasury situated outside the limits of the division, such an arrangement may be sanctioned by the Accountant General.

Similarly, the Divisional Officer may, if necessary, specially authorise any of his sub-divisional officers to draw cheques on treasuries situated outside the jurisdiction of the latter but within the limits of the division.

This rule is intended to be applied with special care and only to cases of real necessity. Payments to contractors should, as far as conveniently practicable, be made by cheques on the nearest treasury and a stipulation to the effect that payments shall be so made should be inserted in the contract agreement where necessary.

#### *II. Limits on Sub-Divisional Officer's Drawings.*

**115.** A Divisional Officer for the maintenance of efficient control over the disbursements of his division, may empower any of his Sub-Divisional Officers to draw against funds placed at his disposal up to a specified limit. The treasury officers will open separate accounts for sub-divisional officers and watch the drawings against such limits.

(i) For this purpose the Divisional Officer may require the Sub-Divisional Officer to submit by a convenient date an estimate of his probable requirements in suitable form.

(ii) The limit when fixed should be for the account month of the Sub-Division and the dates of the commencement and termination of the month must be specified in the intimation to the Treasury Officer concerned.

### III. Cheques.

116. Petty sums under ten rupees should not be paid by cheques, and for the disbursement of these and other charges which naturally are paid in cash, e. g. the wages of labourers and of establishment charged directly to works and value payable postage, it is permissible to draw money from time to time from the treasury to replenish the cash chest. Whether there be a guard or not, disbursing officers must draw cheques for the minimum of cash actually required to meet current disbursements, and if it is found at any time that the balance in hand is larger than is required to meet the anticipated expenditure of the next 15 days, the surplus should be returned into the nearest treasury.

117. In drawing cheques drawing officers should be guided by the general rules laid down in article 128 of the Financial and Account Code. The special rules applicable to the department are set forth in paragraphs 118--123.

118. Before a cheque book is brought into use, all the cheque forms in it should be marked by a distinguishing letter. Cheques drawn by a disbursing officer on any treasury should be distinguished by a different letter from those drawn by himself or other disbursing officers of the division on that or any other treasury.

119. In the case of sub treasuries, the advice of the number of the cheque book to be used (*vide* article 128 of the Financial and Account Code) should ordinarily be sent through the divisional treasury ; but in cases of urgency it may be sent direct to the sub treasury, a copy being forwarded simultaneously to the divisional treasury.

120. When a limit has been set by the Divisional Officer on the drawings of a sub-divisional officer under the provisions of paragraph 115, the limit prescribed for the drawings on each treasury during a month, should be entered on the reverse of the counterfoil of the cheque book for that treasury before any cheques are drawn during that month and the sub divisional officer should watch that the limit is not exceeded by deducting from it, on the reverse of the counterfoils, the amount of each cheque as it is drawn. The undrawn balance at the close of the month should not be carried forward to the next month.

NOTE.—In all cases the drawing officer should record on the reverse of the counterfoil of each cheque the amount of the next cheque drawn and the total of the drawings during the month and carry forward their total to the next counterfoil, thus enabling himself, from time to time to exercise an independent check on the postings in his cash book.

**121.** If the currency of a cheque should expire owing to its not being presented at the treasury for payment within three months from the date of its issue (vide article 128 (iv) of the Financial and Account Code), it may be received back by the drawer who should then destroy it and draw a new cheque in lieu of it. The fact of the destruction and the number and date of the new cheque should be recorded on the counterfoil of the old cheque and the number and date of the cheque that is destroyed should be entered on the counterfoil of the new one. The fact of the new cheque having been issued should be entered on the date of issue in red ink in the cash book but not in the column for payment, a note being made at the same time against the original entry in the cash book.

For procedure relating to lost cheques see article 129 of the Financial and Account Code.

**122.** When it is necessary to cancel a cheque, the cancellation should be recorded on the counterfoil and the cheque, if in the drawer's possession, should be destroyed. If the cheque is not in his possession, he should promptly request the treasury officer to stop payment of the cheque and, on ascertaining that payment has been stopped, he should write back the entry in his cash book by exhibiting the amount of the cheque as a minus figure on the payment side in the "treasury" column. A counter reference should be given in the cash book against the original, to the second entry of the cheque. A cheque remaining unpaid for any cause for twelve months from the date of issue should be cancelled and its amount written back in a similar manner.

**123.** When a cheque is lost during the period of its currency and it becomes necessary to issue a duplicate, the treasury officer concerned should be immediately informed of the loss of the original. The duplicate should not be issued until the drawing officer has satisfied himself that the original cheque has been noted as invalid at the treasury. Reference should be made in the cash book against the original entry to the issue of the duplicate and also on the counterfoil of the lost cheque, vide para 129 of the Financial and Account Code.

## C. RECEIPT OF MONEY.

### I. *Account Procedure.*

**124.** When money is received by a Government servant on behalf of Government, it should at once be brought to account in the cash book and a receipt in account form No. 2 should invariably be granted to the payer. If, however, the amount be realised by



recovery from a payment made on a bill or other voucher setting forth full particulars of the deduction, a receipt should be granted only if specially desired by the payer, but the fact of the recovery having been made by deduction from the payment voucher should be clearly recorded on the receipt.

1. Final acquittance for private cheques and drafts on local banks accepted under proper authority (vide article 70 of the Financial and Account Code) should not be given to the payer until they have been cleared.

2. Before an officer signs a receipt in Account form No. 2 for cash actually received by him, he should see that the receipt of the money has been duly recorded in his cash book and in token of this check, the entry in the cash book should be initialled and dated at the same time.

When the officer signing the receipt is in camp but the cash book is at his head-quarters, the counterfoil of the receipt book should be compared with the entry in the cash book on the next occasion when he sees the cash book or when he returns to head-quarters whichever is earlier, the entry in the cash book being initialled and dated in the usual manner in token of this check.

3. The head clerk or cashier may, when specially authorised to do so by the Divisional Officer or Sub-divisional Officer, receive money at headquarters when the latter is in camp. In such cases he should promptly issue a temporary receipt in P.W.A. form No. 3 for the cash actually received by him and should simultaneously enter the amount in the cash book. Formal receipts in Account Form No. 2, in confirmation of the temporary receipts should be issued signed duly by the divisional or sub-divisional officer immediately on the latter's return to head-quarters. Before signing the formal receipt, the officer concerned should compare it with the amount of the counterfoil of the temporary receipt and the corresponding entry in the cash book and he should initial the counterfoil of the temporary receipt and the entry in the cash book.

NOTE.—Temporary receipt books should not be allowed to be in the custody of a head clerk or cashier beyond the minimum period necessary and they should be kept in the personal custody of the officer when he is at head-quarters.

**125.** Receipts in Account form No. 2 can be issued only by Divisional Officers, Sub divisional officers or any other officers specially authorised by the Government, and all persons regularly or frequently receiving money on behalf of Government should keep a cash book in P. W. A. form No. I.

**126:** When a section officer or other Government servant who is not in charge of a cash book collects departmental revenue on behalf of Government, he should not mix it up with the imprest or any other cash in his charge but pay or remit it at the earliest opportunity to the sub-divisional officer accompanied by a remittance slip or direct into a treasury, accompanied by a chalan in duplicate (vide article 83 of the Financial and Account code). The acknowledgment of the treasury (with an intimation of the full particulars of the receipt including the date of realisation) should be forwarded immediately to the sub-divisional officer to enable him to make the necessary entries in his cash book. The record of the transaction will be in the correspondence and not in the imprest account of the receiving officer.

The sub-divisional officer should, on receipt of the duplicate copy of the remittance slip along with cash or treasury receipt, fill in the two forms of memorandum of acknowledgment attached thereto, one intended to be the sub-divisional office copy and the other intended to be sent to the section officer, and send the latter forthwith to the section officer along with a permanent receipt for the amount received from him or remitted by him into the treasury. If the memorandum of acknowledgment and the permanent receipt are not received by the section officer within a week of his sending the cash or treasury receipt, he should forthwith report the fact in writing to the sub-divisional officer by name and obtain them.

**NOTE.—1.** The section officer or other Government servant who receives money on behalf of Government should promptly issue to the payer a temporary receipt in P. W. A. form No. 2. The sub-divisional officer who maintains a cash book and to whom the money or treasury receipt therefor is sent should on receiving the money (with remittance slip) or treasury receipt make the necessary entry in the cash book and issue to the payer a receipt in account form No. 2 in confirmation of the temporary receipt granted by the officer who collected the money. The number of the temporary receipt, if any, issued with date and that of the permanent receipt should be recorded in the prescribed columns of the cash book. The entries in the cash book in such cases should be initialled and dated by the sub-divisional officer at the same time.

**NOTE.—2.** If the headquarters of the section officer or other Government servant who receives money on behalf of Government are situated in or near a station where there is a treasury, he should remit the money into the treasury and send the treasury receipt with other particulars to his superior officer who maintains a cash book.

**NOTE.—3.** The section officer or other Government servant receiving money should, at the end of every month, send to his superior officer in whose cash account the receipt will appear, full particulars (giving reference to remittance slip or treasury chalan and temporary receipt) of amounts collected and remitted by him during the month. The superior officer should personally verify the items with reference to the entries in the cash book and take prompt and efficient action in regard to discrepancies.

if any. He should also verify if the numbers of the temporary receipts and remittance slips relating to the transaction of a month in each section are continuous. If not, he should enquire immediately what the missing numbers pertain to and promptly take all necessary further action. When the transactions are nil, a nil statement should be sent. If the statement is not received on the date, it will be the duty of the superior officer to call for it.

### *II. Disposal of Receipts.*

**127.** Cash realised by the officers of the department should be paid, as soon as possible, into the nearest treasury, for credit as miscellaneous receipts of the department. Should a Divisional Officer or Sub Divisional Officer, however, require to make use of cash receipts temporarily for current expenditure, he may do so instead of obtaining fresh cash by cheques; but before the end of the month he must send to the treasury a cheque for the amount thus realised, drawn in his own 'favour and endorsed by himself, with the words 'received payment by transfer credit to the Public Works Department.'

**NOTE.** This rule does not apply to receipts realised by short payment on bills or other vouchers.

## **D. PAYMENT.**

### *I. Manner of Payment.*

**128.** Officers authorised to draw cheques should, as far as possible, pay by cheques; but see also paragraph 116.

**129.** It is permissible to make payments to suppliers of stores by obtaining remittance transfer receipts from the Divisional Treasury *vide* article 641 of the Financial and Account Code. Remittances for such purposes of amounts less than Rs. 5 for which remittance transfer receipts cannot be issued by treasury officers, may be made by anchal money order at the public expense. All payments in excess of B. Rs. 25 to be made outside the State, but within the Madras Presidency and all payments in excess of B. Rs. 100 outside Madras Presidency should invariably be arranged for through the Accountant General. Payments outside India should be made through the Accountant General except remittances not exceeding £ 1 (or the equivalent of that sum in any currency) which may be made by postal money order. Such payments will be arranged for by the Accountant General through the Imperial Bank of India—*vide* articles 141 and 142 Travancore Financial and Account Code.

**130.** As a rule no cheque should be drawn until it is intended to be paid away and cheques drawn in favour of contractors and others should be made over to them by the disbursing officer direct but the disbursing officer may be assisted in making disbursements by a cashier appointed for the purpose-- *vide* para 471 P. W. Department Code. The occasional delivery of cheques through a subordinate may be permitted at the discretion and on the responsibility of the disbursing officer. In such cases, the subordinate should make no entry in any accounts which he keeps as a payment made by cheque should appear in the cash account of the disbursing officer who draws the cheque and the subordinate's record will be in his correspondence.

**NOTE.** It is a serious irregularity to draw cheques and deposit them in the cash chest at the close of the year for the purpose of showing the full amount of grant as utilised.

**131.** Payments due to contractors may be made to financing Banks instead of direct to contractors provided that the department obtains (1) an authorisation from the contractor in the form of a legally valid document like a power of attorney or transfer deed conferring authority on the Bank to receive payment and (2) the contractor's own acceptance of the correctness of the account made out as being due to him by Government or his signature on the bill or other claim preferred against Government, before settlement of the account of claim by payment to the Bank. While the receipt given by the Bank holding a power of attorney or transfer deed from the contractor constitutes a full and sufficient discharge for the payment, contractors should wherever possible, be induced to present their bills duly receipted and discharged through their Bankers.

### *Prohibitory Orders or Injunctions.*

**132.** When money due to a contractor or other creditors is attached by a prohibitory order of a court and is afterwards paid into that court, the receipt (to be prepared by the Public Works Department) signed by the court should show that the payment is on account of an attached debt and should set forth *inter alia* the name and capacity of the actual creditor to whom the money is due by the department, on what account it is due and the number and the date of the court's order in accordance with which the payment is made. This receipt should be attached to the contract certificate or other bill in which the particulars of the creditor's claim are recorded and should be enfaced in red ink by a reference to that bill, the bill being correspondingly enfaced by a reference to the attached receipt of the Court.

## II. *Vouchers.*

**133.** As a general rule, every payment including repayment of money previously lodged with Government for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim. As far as possible, the particular form of voucher applicable to the case should be used. Suppliers of stores and others should be encouraged to submit their bills and claims in proper departmental forms. But bills not prepared in such forms should not be rejected if they set forth the necessary details of the claims. In such cases, the additional particulars required should be added by the disbursing officer.

When it is not possible to support a payment by a voucher, a certificate of payment prepared in manuscript, signed by the disbursing officer and endorsed if necessary by his superior officer, should always be placed on record. Full particulars of the claims should invariably be set forth and where this necessitates the use of a regular bill form, the certificate itself may be recorded thereon.

**134.** Every voucher must bear a pay order signed or initialled and dated by the responsible disbursing officer. This order should specify the amount payable both in words and figures.

Cashiers and others authorised to make payments on passed vouchers should make no payment without a proper pay order of the responsible disbursing officer recorded clearly in ink on the bill or other voucher. No payment should be made on a voucher or order unless it is signed by hand and in ink.

**135.** Except as provided in para 131 every voucher should also bear, or have attached to it, an acknowledgment of the payment signed by the person by whom or in whose behalf the claim is put forward. This acknowledgment should always be taken at the time of the payment.

(1) If a disbursing officer anticipates any difficulty in obtaining from the person to whom money is due a receipt in the proper form, it is open to him to decline to hand him the cheque or cash, or to make a remittance to him, as the case may be, until the acknowledgment of the payment with all necessary particulars has been given by him. In all cases of payment by remittance, a note of the date and mode of remittance must be made on the bill or voucher at the time of remittance. In cases of remittance by postal or anchal money order, the purpose of the remittance should be briefly stated in the acknowledgment portion thereof, *vide* note under rule 6 (iii) appendix 19 of the Financial and Account Code.

(2) In the case of articles received by value payable post or anchal, the value payable cover together with the invoice or bill showing the details of the items paid for may be accepted as a voucher. The disbursing officers should endorse a note on the cover to the effect that the payment was made through the post or anchal office and this will also cover charges for the postal or hundi commission.

(3) A certified copy (marked duplicate) of a receipted voucher may be retained by the disbursing officer, should this be necessary to complete the record of his office, but the payee should not be required to sign such a copy or give a duplicate acknowledgment of the payment.

(4) When a bill submitted by a contractor/supplier for supplies made to Government is endorsed in favour of a Bank, payment may be made to the Bank only if the bill is receipted by the contractor/supplier and endorsed in favour of the Bank.

To ensure the genuineness of the contractor's/supplier's signature in both (i) the receipt and (ii) the request to pay the amount to a Bank, the disbursing officer concerned should call for the specimen signature of the contractor or supplier or his agent who may be authorised to receive payment on his behalf, the signature in the case of an agent being also required to be attested by the contractor or supplier. The disbursing officer should satisfy himself that the signature both on the receipt and on the request to pay the amount to the Bank is genuine, by comparing it with the specimen signature obtained separately before payment is actually made.

**136.** General instructions regarding the preparation and completion of vouchers are given in Chapter V of the Financial and Account Code. The following supplementary instructions should also be observed :

(a) When the payee signs in an Indian language he should be required to note the amount acknowledged in the Indian language in his own hand-writing. In transliterating his acknowledgment, the amount acknowledged as well as any remarks made by him should also be reproduced in English.

(b) The disbursing officer is responsible that the full name of the work as given in the estimates (and other particulars specified in paragraph 262) or the head of account to which the charges admitted in a voucher are debitable, or to which the deductions or other credits shown in the Indian language are creditable, is clearly indicated on it in the space provided for the purpose or in some prominent position.

137. When vouchers or accounts exhibit any expenditure from which revenue may *prima facie* be expected to accrue, as for instance, when payment appears in a bill for removing material from a building or other work, either dismantled or undergoing repairs or for clearing jungle or cutting trees in the compound of buildings or in canal banks, etc., the necessary information should be given in the account or voucher concerned as to how the old materials removed or the trees cut have been disposed of and, if sold, when the sale amount will be credited in the accounts.

All vouchers for expenditure should, in such cases, invariably bear a note by the Divisional Officer/Drawing Officer as to whether the timber, etc., has a saleable value and if so, by what approximate date the value will be credited in the accounts after realisation by auction, etc.

138. Bills received from firms for supply of stores should be dealt with in original and submitted to the Audit Office as vouchers.

#### E. REMITTANCE TO TREASURIES.

139. The Officer in charge of a cash book should keep a book in P. W. A. form No. 4 in which he should enter all his remittances to the treasury as they are made—vide paragraphs 126 and 127. This book should accompany the cash.

Remittance into treasuries of cheques paid in as Public Works receipt should be entered in the Remittance Book, but in the place for remarks should be entered 'By Bank cheques' and the book need not be sent with the remittance, provided that the cheques are always endorsed as prescribed in paragraph 127.

NOTE: All payments of miscellaneous receipts made by public works officers into treasuries, whether acknowledged or not by the Treasury Officer in the same month, should be debited to the department as payments into treasuries. Differences, if any, between the amount debited and that acknowledged by the Treasury Officer should on no account be charged to a suspense head pending adjustment.

#### F. CASH ACCOUNTS.

##### I. Cash Book.

##### (a) Up-keep.

140. An account of their cash transactions should be maintained in the cash book Form No. 1 by all Government servants authorised, as a regular arrangement, to receive money on behalf of Government, as well as by those entrusted with making disbursements out of cash received by them in transfer from the divisional cash chest or obtained by drawing cheques on

the treasury. Government servants entrusted with fixed imprests or temporary advances should maintain and render accounts of their disbursements in imprest cash account P. W. A. form No. 2.

141. The cash book is one of the most important account records of the department. The detailed instructions prescribed for writing it up are given in the notes on P. W. A. form No. 1 and disbursing officers are required to observe them strictly in practice.

(b) *Balancing.*

142. The cash book must be balanced on the date prescribed for closing the cash accounts of the month, but when the transactions are numerous, a weekly or even a daily balance is recommended and it is advisable to count the cash whenever a balance is struck, or at convenient intervals, as this affords an independent check on the accuracy of the postings. The results of such intermediate counting should be recorded in the form of a note in the body of the cash book (column 8) so as not to interfere with the up-to-date totals; the actual balance of cash in the chest should invariably be stated in the note both in words and figures and the outstanding balance of imprests and temporary advances should be taken into consideration when certifying the accuracy of the cash chest balance.

(c) *Restification of Errors.*

143. An erasure of the entry once made in the cash book is strictly prohibited. If a mistake has been made and it is discovered before the copy of the cash book has been submitted to the Divisional Office, the mistake should be corrected by scoring out the incorrect entry and inserting the correct one in red ink between the lines. The disbursing officer should initial every such correction and invariably date his initials. When the mistake is discovered too late for correction in this way, an intimation of the necessary correction should at once be sent to the Divisional Office accompanied by a proposed transfer entry, if necessary. Except as indicated above, no correction of any entry once made in his cash book should be made by a Sub Divisional Officer, unless authorised by the Divisional Officer to do so.

The same principles should be observed in correcting errors noticed in the Divisional cash book. If the accounts of the month have been closed, no corrections of errors in amount, classification, or name of work, should be made in that book. A suitable remark in red ink (quoting reference to the correction in accounts) should, however, be recorded against the original erroneous entry.



---

(d) *Verification.*

**144.** The disbursing officer is required to check all the entries in his cash book as soon as possible after the date of their occurrence and he should initial after the last entry checked. The cash book should be signed by him at the end of the month and such signature should be understood as fixing responsibility for all the entries of the month including the closing balance.

(1) The following is the memorandum of some of the more important parts of the verification :—

The disbursing officer should —

(i) compare each entry of payment with the gross amount chargeable as shown in the connected vouchers, seeing at the same time, that it bears (1) a payment order recorded by himself or the Divisional Officer, and (2) the certificate of disbursement signed by himself or an authorised subordinate and ticking off each voucher as it is passed ;

(ii) see whilst examining the postings of vouchers on the payment side, that all deductions shown in the vouchers other than deductions creditable to the head of account or work to which the payment relates, are posted as receipts on the receipt side of the cash book ;

(iii) verify the totalling of the cash book or have this done by some principal subordinate (other than the writer of the cash book) who should initial (and date) it as correct; and

(iv) verify the total of the postings in the 'Treasury' column in the payment side by reference to the memoranda recorded by himself on the reverse of the counterfoils of cheques (vide note to paragraph 120.)

**145.** The actual balance of cash in each chest should be counted on the last working day of each month (i. e.) immediately after closing the cash account of the month under paragraph 142, but when this is not possible, the cash balance may be counted on the first working day of the following month before any disbursement is made on that date. A statement of the details of the actual balance should be prepared in P. W. A. form No. 5 and a certificate of the count of cash, specifying both in words and figures the actual cash balance (exclusive of imprest and temporary advance) should be recorded below the closing entries in the previous month's cash book. This certificate should be signed by the disbursing officer who should invariably date his signature.

Should it not be possible for the disbursing officer, owing to his absence, to make the count on the dates prescribed in this paragraph, he should do so at the earliest opportunity, recording the reason for the delay on the cash balance report.

**146.** Whenever on the contents of the cash chest being counted, the balance according to the cash book is found to be incorrect, it must, unless the error can be detected and set right at once under paragraph 143, be rectified forthwith by making the necessary receipt or payment entry 'to cash found surplus in chest' under deposit or 'by cash found deficient in chest' under 'Miscellaneous P. W. Advance' as the case may be. The administrative action to be taken on the occurrence of a deficiency must depend on the nature of each case.

NOTE—Actual losses of cash by theft or otherwise and irrecoverable personal advances in cases where the persons to whom the advances were made are no longer in the service of Government are to be charged to Establishment sub head 'Contingencies.'

## *II. Imprest Account.*

**147.** An imprest is a standing advance of a fixed sum of money given to an individual to make certain classes of disbursements which may be entrusted to his charge by the Divisional Officer or the Sub Divisional Officers in accordance with such rules and subject to such restrictions, as may be laid down by the Government. The amount of an imprest should not, however, exceed five hundred rupees in any case, without the special sanction of the Government.

**148.** The imprest cash account form is printed so as to facilitate copies being taken by carbon process. The first sheet should be retained by the Imprest holder and the detachable sheet supported by the necessary voucher should be forwarded to the officer from whom the imprest is held, whenever the imprest holder finds it necessary to have the amount recouped, or it is proposed to increase or decrease the amount of the imprest or to close the account altogether. The account must, in any case, be closed at the end of each month and rendered so as to reach the officer from whom the imprest is held, in time to enable him to incorporate the accounts in his cash book before it is closed for the month on the date fixed for the purpose.

**149.** The recouping officer should examine the imprest cash account and the supporting vouchers, initial and date the vouchers in token of approval and by a formal pay order (vide paragraph 134) recorded on the account, authorise the recoupment, enhancement, reduction or closing of the imprest, as the case may be. The

account should then be abstracted and incorporated in the cash book in the manner prescribed in notes on P. W. A. forms Nos. 1 and 2.

NOTE—A Sub Divisional Officer can authorise temporary reduction and recoupment of the imprests held by the subordinates in his sub division, but the enhancement, permanent reduction or closing of the accounts must be sanctioned by the Divisional Officer.

NOTE 2—Should any item in an imprest account appear to the recouping officer to be open to objection, the imprest should nevertheless be recouped in full and the item under objection should be classified under the head 'miscellaneous Public Works Advances' for watch under that account until either the objection is removed or the amount is made good by the imprest-holder.

**150.** The imprest-holder is responsible for the safe custody of imprest money and he must at all times be ready to produce the total amount of the imprest in vouchers or in cash.

### . III. *Temporary Advance Account.*

**151.** When a disbursing officer makes a remittance to a subordinate officer to enable him to make a number of specific petty payments on a muster roll or other voucher which has already been passed for payment, the amount remitted should be treated as a temporary advance and accounted for in the same way as an imprest. The account of a temporary advance should be closed as soon as possible.

(1) This rule applies also to cash taken out of the cash chest by the disbursing officer himself for making payments at a distance.

(2) Sub-Divisional Officers may authorise payment of passed nominal muster rolls up to a limit of Rs. 10 by section officers from their imprests.

### G. CHEQUE BOOKS AND RECEIPT BOOKS.

**152.** Cheque books required by Divisional and Sub-Divisional Officers authorised to draw on treasuries and sub treasuries should be obtained by the Chief Engineer from the Accountant General and sent to the Superintendent, Workshops who distributes them to the Divisional and Sub-Divisional Officers. Receipt books in Account Form No. 2 are obtained by them from the General Stores and issued to the Sub-Divisional Officers and Section Officers—vide Articles 127 and 128 of the Financial and Account Code.

**153.** Cheque books and receipt books should be carefully examined immediately on receipt by the officer concerned who should count the number of forms contained in each and

---

record a certificate of count on the fly leaf. In the case of books issued to the Sub Divisional Officers by the Divisional Officer, the certificate of the latter on the fly leaf will not dispense with the examination of the books on their receipt by the former. The Sub-Divisional Officer should make a fresh count in such cases and record a certificate of count again on the fly leaf as soon as the books come into his hands.

**154.** Counterfoils of used cheque books should be returned to the Divisional Officer for record in his office but those of completed receipt books should be sent back to the Sub-Divisional Officer after their check in the Division Office. The Sub-Divisional Officer should keep them in some safe or box the key of which remains in his personal custody.

---

## CHAPTER VI.

## Stores.

## A. INTRODUCTORY.

**155.** The general administration of all the stores of a division is vested in the Divisional Officer on whom primarily devolves the duty of arranging, in accordance with the rules, for (i) the acquisition of stores, (ii) their custody and distribution according to the requirements of works, and (iii) their disposal.

**156.** Government servants entrusted by the Divisional Officers with the care, use or consumption of stores, are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them.

**157.** All transactions of receipts and issues should be recorded strictly in accordance with the rules in the order of occurrence and as soon as they take place. Fictitious stock adjustments are strictly prohibited, such, for example, as (i) the debiting to work of the cost of materials not required or in excess of actual requirements, (ii) the debiting to a particular work for which funds are available, of the value of materials intended to be utilised on another work for which no funds are available, (iii) the writing back of the value of materials used on a work to avoid excess outlay over appropriation etc. Any breach of this rule constitutes a serious irregularity which will be brought prominently to the notice of the Government by the Accountant General.

**158.** (a) The accounts of stores are based on the fundamental principles that the cost of their acquisition should be debited to the final head of account concerned or the particular work for which they are required, if either of these can be determined at once; otherwise it should be kept in a suspense account pending clearance, as the materials are actually issued, by charge to specific heads of accounts or works.

(b) In accordance with this general rule, the cost of the supply of all stores required as tools and plant for the general use of the division is debited at once to the minor head 'tools and plant' subordinate to the major head under which such charges of the division are classified; and special items of tools and plant which are required not for general purposes but for a specific work are charged off to that work. See also paragraph 4 of Appendix II.

*Exception.* Tools and plant held in the workshops and stores division are held as part of stock and are accounted for as such, as

they are intended for issue to other divisions and departments. When so transferred the division receiving them will deal with them as in the rules in para 202 et seq.

(c) Similarly all road metal required for the maintenance of a road or section of a road is charged at once to the minor head "Repairs" (communications) against the estimate sanctioned for the collection of it and when road metal is acquired specially for use in the construction of a road or other work, its cost is debited to the estimate for such construction.

(d) In the case of other materials when purchases are made for the requirements of works generally, the cost is accounted for under the suspense head 'Stock' vide paragraph 494 of the Public Works Department Code. Materials purchased specially for a work are, however, charged to that work.

**159.** The four classes of stores enumerated in paragraph 476 of the Public Works Department Code thus fall into two distinct categories as shown below:-

1. *Stores charged to suspense*

(i) Stock

2. *Stores finally charged off*

(ii) Tools and Plant

(iii) Road metal

(iv) Materials charged to works

**160.** A numerical or quantity account of receipts, issues and balances has to be maintained for all stores, even though finally charged off, with a view to control the balances efficiently until the stores are finally disposed of either by consumption on works or otherwise. This quantity account has further to be reconciled periodically with the value accounts except in the case of tools and plant and road metal. The rules in this chapter are framed on the principle that, as far as possible, the initial records of all stores, as also the returns of Sub-Divisions should take account of quantities only and that the value accounts should be maintained in the Division Office.

**NOTE.** Accounting of coaltar, pitch and asphalt which are required for road surfacing, for maintenance estimates and for minor estimates for renewal will be carried out in the same way as in the case of road metal, vide para 158 (c) of this Code.

**B. STOCK**

*I. General*

**161.** The stock of a division is sometimes kept in a single go-down or yard in the charge of a store-keeper or other officer, or

each Sub-Divisional Officer may have separate stock in his charge either at his headquarters or scattered over the sub-division in the direct custody of subordinates or other sectional officers. Again the stock although scattered over the entire division may be in the general charge of a single official and the Sub-Divisional Officers may merely indent upon him, he keeping all the accounts. The rules prescribed below will apply whatever be the arrangement in force in the division.

**162.** Stock accounts should be maintained in the Sub-Divisional Office. A separate account should be kept in the division office of any stock which is directly under the charge of the Divisional Officer or of an officer under him and not under the orders of a Sub-Divisional Officer.

## II. Quantity Accounts

### (a) Receipts.

**163.** Materials may be received on stock from the following sources :—

- (a) Suppliers
- (b) Other sub-divisions, divisions or departments (including P. W. Workshops)
- (c) Manufacturer
- (d) Works, buildings etc.

In all cases there should be proper authority for the receipt by the store-keeper or the section officer concerned of materials to be brought on stock. This authority should be given in writing by the Divisional Officer or by the Sub-Divisional Officer, if so authorised.

**164.** All materials received should be examined and counted or measured, as the case may be, when delivery is taken. The record of the detailed account or measurement should be kept in the measurement book in the manner prescribed in paragraphs 268 and 269 and the total number or quantity received should be simultaneously entered in the register of stock receipts P. W. A. Form No. 8. Such acknowledgment as may have to be given to a supplier for stores received from him can be signed only by the Divisional or Sub-Divisional Officer. Any certificate that the store-keeper or section officer concerned may be called upon to record in respect of the receipt of stores for this or any other purpose (*vide* paragraph 175) should be given in the following form :—

Received on... ..and duly recorded in the register of stock receipts.

See also page... ..of Measurement Book No.

Date.....

*Signature.)*

In the case of the general stores attached to the Workshops Division, the record of detailed count or measurement is made in Form No. 8 Register of Stock receipts with suitable modifications. A daily report of receipts one for each sub-section of stores should also be simultaneously prepared from which the quantity and value ledgers are subsequently posted.

(b) *Issues.*

**165.** Materials may be issued from stock for the following purposes :—

(a) For use on works either by issue to contractors or direct (*Vide* para 296)

(b) For despatch to other sub-divisions, divisions or departments.

(c) For sale to contractors, employees, other persons or local bodies with the sanction of the authority competent to order such sale—vide paragraph 603 and 624, P. W. Department Code.

They should be issued only on receipt of an indent in P. W. A. Form No. 6 signed by the Divisional or Sub Divisional Officer.

**NOTE 1.** When examining registers of stock, issues and works abstracts, Sub-Divisional Officers should see that in practice this rule is observed strictly and they should deal suitably with instances of unauthorised and excessive issues to works made by Sectional Officers without due cause.

**NOTE 2.** The term 'works' includes manufacture operations, vide Note to paragraph 171.

**166.** Indents should be filled up carefully as all subsequent accounting depends upon it. In the column 'Head of Account', besides entering the name of the account head to which the issue of stores is chargeable, full names of divisions and offices to which stock is to be issued and of contractors, employees, other persons or local bodies to whom it is authorised to be sold, should be added in all cases in which stores are ordered to be issued otherwise than for the requirements of works within the division. The last column, headed 'Name of work etc.' should be filled in only when the stores are required for works within the division and in such cases the full name of the work as given in the estimates should be entered as well as the name of the contractor from whom the value is recoverable (*vide* paragraph 296).

**167.** When issuing materials from stock, the Store keeper or Section Officer should examine the indent (Form No. 6) and sign it in the space provided for the purpose, after making suitable alterations (attested in each case by his dated initials) in the description and quantities of materials, if he is unable to comply with the indent in full. He should then prepare and sign the form of invoice attached to the indent according to the supply actually made and



simultaneously make an entry in his register of stock issues, P. W. A. form No. 8. The indent should be returned at once to the indenting officer and the signature of the officer receiving the materials should be obtained, as soon as possible, on the invoice which should be treated as a voucher in support of the entry in the register.

(i) It should be seen that the acknowledgement of materials is signed either by the person to whom they are ordered to be delivered or despatched or by a duly authorised agent. This precaution is specially necessary in the case of issues to contractors and private persons whose acknowledgements should set forth all the particulars mentioned in paragraph 304.

(ii) Rule 1 applies also to issues made to contractors by the Section Officer himself without the production of an indent signed by higher authority (vide paragraph 165).

**168.** When making entries in the register of stock issues, the Store-keeper or Section Officer should pay particular attention to record in the columns headed 'to whom issued' and 'head of accounts etc.' the full particulars as given in the last two columns of the indent or as otherwise known to him,

If the materials are issued for use on a work, the particulars required to be entered in the column 'name of work etc.' of Form 6 (vide paragraph 166) should invariably be given in the column 'to whom issued'.

**169.** As an exception to the general rule in paragraph 157, that all stock transactions shall be shown in the accounts as soon as they occur, issues of petty stores by a section officer direct to works (vide para 296 (ii) under his supervision may be shown in the accounts collectively once a month when closing the accounts of the month.

(c) *Monthly abstract of receipts and issues.*

**170.** The receipt and issue transactions of the entire Sub-Division should be abstracted monthly in a single abstract of stock receipts (Form No. 9) and in a single abstract of stock issues (Form No. 10). These forms should be posted in the Sub-Division Office from the registers of stock receipts and stock issues, P. W. A. Form No. 8, entries being made only in respect of quantities.

(i) The several transactions of the month need not be entered severally in the abstract, it being sufficient to show as a single transaction, the total receipts from each source or the total issues to each account or work. The quantities received (or issued) in each transaction should be noted in the lower part of the abstract, against the entry of the transaction, in separate columns for each distinct

article of stock, these columns being so written up as to group the article by the prescribed heads of stock. After all transactions of the month have been posted, the total receipts (or issues) of each article should be computed and noted in the column headed 'quantities, in the upper part of the form. No entries need be made in the sub-division office in any of the money columns in either part of the form, as these will be filled up in the Division Office, vide paragraph 182.

(ii) In posting column 1 of the abstracts, those receipts and issues of the month which represent transactions, the value of which is brought to account in the same month through the cash book or transfer entries, should be separated from transactions not so brought to account within the month (see paragraph 500.)

(iii) It is left to the Sub-Divisional Officer to make the most suitable arrangements for collecting the information required to complete these abstracts. The registers of stock receipts and stock issues of subordinates stationed at the sub-division headquarters may be obtained in original and store-keepers and section officers at out stations may be required to furnish copies of their registers. Care should be taken to reconcile all transfers of stock between subordinates of the same sub-division and reconciled transactions connected with such transfers within the sub-division should not appear in the abstracts of the sub-division.

(iv) The registers of stock receipts and stock issues maintained by section officers may, if necessary, be closed a little earlier than the date fixed for the closing of the sub-division accounts, (see Rule 1 to paragraph 465.)

**171.** When abstracting the transactions recorded in the registers of stock receipts and stock issues, care should be taken to observe strictly the prescribed accounts classification, vide Appendix I. It is not sufficient to enter the name of the major head affected; but the minor and detailed heads should also be stated, as well as the additional particulars mentioned in paragraph 168.

**NOTE.** Although 'manufacture' is a sub-head of stock account, issues of stock to manufacture operations and receipts of out turn from manufacture should be accounted for in the same way as issues to or from any other distinct head of account and each manufacture operation should be treated as a separate work, see paragraph 58.

**172.** The quantity accounts of a particular month show all quantities received or issued in that month, but the corresponding cash payment, cash recovery, or other adjustment may not always appear in the divisional accounts of the same month. To secure agreement between the quantity and value accounts, receipts and issues, the value of which cannot be adjusted in the accounts of the

month in which the actual transactions take place, should be accounted for in the abstracts under suspense heads 'purchase' and 'miscellaneous P. W. advances' respectively, (see also rule (ii) to paragraph 170.)

(d) *Half yearly Balance Return*

**173.** (a) The total quantities of the receipts and issues of each article of stock, as recorded in the monthly abstracts, forms 9 and 10 should, before the abstracts are transmitted to the Divisional Officer, vide paragraph 468, be posted in the half yearly balance return, P. W. A. form No. 11 in the column provided for the month concerned, both under 'receipts' and 'issues'. As soon as the receipts and issues of the last month of the half year are posted, the closing balance should be worked out and entered both in column 21 'closing balance carried forward' of the return for that half year and in column 6, 'balance brought forward' of the return for the next half year.

(b) A separate return in this form should be prepared for each of the half years ending Makaram and Karkatagom embracing transactions up to the date on which the monthly accounts of the sub-division are closed. The return for each half year should embrace all articles in stock.

(c) Columns 22 and 23 of the form of the return are provided so as to give the Sub-divisional and the Divisional officers an opportunity of commenting on the conditions of the stores or on the rates and of noticing cases in which the balances are in excess of requirements.

(e) *Corrections.*

**174.** (a) Any errors that may be discovered in the monthly abstracts, before the accounts for the month are closed, may be set right by the Sub-divisional or Divisional officer. Such corrections should be made neatly by scoring out the incorrect figures or other entries and writing the correct ones above them and they should be attested by dated initials.

*Notes.* Store-keepers and section officers may similarly correct their respective registers of receipts and issues before submitting them to the Sub-Divisional officers.

(b) Mistakes subsequently noticed should not be corrected except in accordance with a formal transfer entry or under instructions received from the divisional office.

(c) Erroneous entries noticed in a half yearly balance return which has not yet been submitted to the division, may be corrected by the Sub-Divisional officer, only if the corresponding entries in the monthly abstracts concerned, or in the previous half yearly return, are correct or have been duly set right.

### III. Value Accounts.

#### (a) *Payment for stock received.*

**175.** Bills of suppliers should, before payment, be examined and dealt with in the manner prescribed in paragraphs 263, 274. and 285.

Special attention is invited to the rule in paragraph 281, the object of which is to prevent erroneous or double claims being put forward successfully. Store-keepers and section officers may, if desired, be required to verify suppliers' bills before payment (*vide* para 164) but the disbursing officer is responsible that no payment is made unless the precautions referred to above have been observed.

**176.** Cash payment should not be made for stock received from other sources except in accordance with the rules in Appendix 15 of the Financial and Account Code. When under those rules payment for supplies made by any department is made in cash, the claims of such department should be dealt with in the same way as those of suppliers. In other cases, the necessary adjustment of the cost, through the remittance or other head concerned, should be made by the division office in accordance with the instructions in chapters VII and XV after obtaining a verification of the claim which should not be certified without crossing off the connected measurement book entries with a suitable remark (*vide* paragraph 164.)

#### (b) *Recoveries for stock issued.*

##### (i) *Issue rates.*

**177.** An issue rate is assigned to each new article as it is brought on stock. This rate is fixed on the principle that the cost to be charged to works on which the materials have to be used should approximately equal the actual cost of the stores and that there may be no ultimate profit or loss in the stock accounts. It should provide, beyond the original price, for carriage and other incidental charges, if any, actually incurred on the acquisition of stores, such as :—

- (i) the expenditure on work-charged establishment employed on handling and keeping the initial accounts,
- (ii) the expenditure on the custody of stock,
- (iii) the expenditure on the maintenance of the store go-down  
    . . . or yards, and
- (iv) losses from depreciation or wastage.

(1) It is not necessary that the issue rate for an item should be the same in all sub-divisions ; but a uniform rate should ordinarily be prescribed for all localities in a sub-division.

(2) The issue rates should be worked out to the nearest chackram, as far as possible.

(3) In the case of the plant and machinery of the P. W. Workshops which are borne under stock, (*vide* exception to para 158) the original book value shall include the original price fixed and the cost of carriage to the stores. This book value shall be depreciated annually by the percentage fixed for 'depreciation' in conformity with the rule (viii) in paragraph 514 of the Public Works Department Code.

An estimate for working expenses of plant and machinery in the Stores Division shall be sanctioned under stock and the net expenditure or receipt transferred at the end of the year to 36 Buildings etc., Tools and Plant or to the receipt head 'XXVII Buildings, etc. (e) Fines and Refunds and (m)—Miscellaneous' as the net result is a loss or profit. The portion of the hiring charges realised shall be credited direct to the head XXVII--(m).

178. As purchases are made or contracts for the supply of materials are entered into, variations in cost should be watched and if these are appreciable, issue rates may, and in important cases shall, at once be raised or lowered, as may be necessary. Further, when closing the half yearly register of stock (para 188), all rates must be reviewed and revised, if necessary, to bring them within the market rates.

179. If the issue rate of an article of stock is appreciably less than the market rate, the following precautions should be taken in addition to any restrictions on sales or on issues outside the division which the divisional officer may prescribe.

(a) Issues to contractors in pursuance of paragraphs 302 and 303 should be restricted to the bonafide requirements of the works. Excess issues to contractors and sales should be charged at the market rates.

(b) Issues to other divisions and departments may be made at a rate higher than the issue rate.

180. A storage rate is fixed annually for the P. W. Workshops on the basis of the actual storage charges incurred in the year preceding the year which is previous to the year in question. This rule may with the sanction of Government be extended to any other stores in which appreciable storage charges are incurred.

(ii) *Mode of Recovery.*

181. (a) The Sub-Divisional Officer or the Divisional Officer, as the case may be, is responsible that the value of materials sold to municipalities and other local funds and the public, and of issues made to contractors for private use, is recovered in cash at the earliest opportunity.

Sale account in P. W. A. form No. 19 should be prepared in support of every such sale.

(b) All adjustments of the value of stock issued except on sale should be made by the Divisional Officer as in the case of receipts, (*vide* paragraph 176.) The Sub-Divisional Officer, is, however, responsible for the clearance, from works accounts, of all outstanding against contractors on account of the recoverable value of materials issued to them by charge to works.

\* (c) The 20 per cent. supervision charge should be realised in addition to the value of stock in all cases in which it is recoverable under paragraph 506 of the Public Works Department Code; but the amounts recovered on this account should not be treated as receipts on account of stock, but as revenue receipts or receipts on capital account, as the case may be.

(c) *Valuation of Quantity Accounts.*

182. When received in the Division Office, the abstracts of receipts and issues will be incomplete in respect of (i) the values of quantities shown as received and issued (ii) the calculation of the storage charges on the issues and (iii) cash or adjustment charges on account of manufacture operations, storage and incidental charges, such as those for carriage, loading and unloading of stock materials. They should now be completed in all these respects; (*Vide* rule 1 to paragraph 170.)

(1) The lower part of each abstract should first be taken up. In this part, quantities of the several articles received or issued in connection with each transaction have already been entered separately in the column provided for this purpose—*vide* rule (1) to paragraph 170.

These quantities should now be valued by recording the amount of each just below it and the total value of each transaction should be shown in the first money column (third column of P. W. A. form No. 9 or sub column 1 or the second money column of P. W. A. form No. 10 as the case may be). In P. W. A. form No. 10, storage charges should be calculated on the book value entered in sub column 1 and shown in column 2 and a total of these two columns should be entered in the third money column against each transaction. Total should be struck in the 3rd money column 'Total,' separately for each head of account. The upper part of the form should be valued next. The total of the values entered against each article in the lower part should be shown in the column

---

\* NOTE 1:—The 20 per cent. charges referred to in (c) above should not be levied on stock materials issued to the works in items (a), (b) and (c) of rule 6 of Appendix II as centage charges are separately leviable on them.

headed 'amount' (separately for each article) against that article, it being seen further in the case of issues that this total is equal to the rate for the article multiplied by the total quantity. Finally, the entries in the last money column should be totalled up, both for each sub-head of stock and for the whole abstract. In P. W. A. form No. 10, the total of the second money column in the lower part should be shown against the line 'total storage' in the upper part and grand total struck in that part. The grand total should agree with the total of the 3rd money column 'total' in the lower part of the form. The cash and transfer entry debits and credits to stock (*vide* rule 2 to paragraph 170) should be agreed with the transactions pertaining to stock brought to account in the cash book and the transfer entry book—(*vide* paragraph 500.)

(2) Receipts should be valued on the basis of the prices paid or payable as per bills or other claims. Extra charges when paid or adjusted, should be posted as separate items without quantities.

(3) Issues should be valued at the issue rates fixed for the purpose—(*vide* paragraphs 177 to 179.)

(4) All entries made in the Division Office should be in red ink to distinguish from those made in the Sub-division Office.

**183.** Carriage and other incidental charges should be debited to stock only when they are incurred in connection with the general stock requirements (see also paragraph 364). These charges should be adjusted against the particular sub-heads under which the item is classified or the sub-head storage of the stock account according as the charges have been incurred before or after the acquisition and delivery of the stores at the go-downs.

**184.** To classify and collect by objects of expenditure, the charges debited to stock from time to time, the same procedure should be observed as is adopted in respect of expenditure of works, that is works abstracts and registers of works should be maintained. (see also paragraph 494.)

#### IV. Half-yearly Register of Stock.

**185.** An account should be maintained in the Division Office to record month by month, separately for each sub-division, the transactions relating to each item of stock. This account should be in P. W. A. form No. 12, Half yearly register of stock, which is in three parts :

Part I—The Register

Part II—The summary

Part III—The Review.

**186.** Part I should as regards quantities be posted monthly from the sub-division abstracts, P. W. A. forms Nos. 9 and 10, and balanced half yearly in the same manner as the sub-division half

yearly balance returns, (*vide* paragraph 173.) The only values to be posted should ordinarily be the aggregate values of the total receipts and issues for each sub-head, as recorded in the upper part of these abstracts. But if it is desired to maintain a value account of the receipts, issues or balances of any particular items, there is no objection to value being recorded, in red ink, immediately below any of the quantities.

The Register should be laid before the Divisional Officer within a week after the submission of the monthly accounts to the Accountant-General.

**187.** At the end of the half year, the closing balances of quantities should be reconciled with those shown in the half yearly balance returns received from Sub-Divisional Officers (*vide* paragraph 469). The closing balances of the aggregate values of sub-heads should also be struck. Their reconciliation with the accounts will be effected through Part II, (*vide* paragraph 189.)

**188.** The register should then be closed, the following instructions being observed in respect of money columns 20 to 24 :—

(a) Market rates (column 24). This column should be filled up, in respect of each item, under the orders of the Divisional Officer by a person other than a ministerial subordinate. It should be written up at or about the close of the half year but before any entries are made in the column for future issue rates.

(b) Current issue rates (column 20). This column should have been filled up at the commencement of the half year in respect of items brought forward from the previous half year, and subsequently, from time to time in respect of new items and items the rates of which are revised during the half year.

(c) Value of current issue rates (column 21). This column should be written up at the close of the half year and should represent the value of the closing balance at the issue rates current during the last month of the half year.

(d) Future issue rates (column 22). This column should show the rate for issues during the following half year which should be fixed, separately for each item, in accordance with the principles laid down in paragraph 177 but should in no case be in excess of the market rate. When opening the register for the following half year, the rates as shown in this column should be transcribed into the column for current issue rates of that register.

(e) Value at future issue rates (column 23.) This column should show against each item the value of the closing balance at the future issue rate. The entries in this column should be totalled by sub-heads of stock for each sub-division, and to or from the



total should be added or deducted as the case may be, amounts which have been debited to stock in advance of the actual receipt of stores and other debits or credits which are awaiting adjustment under the sub-head concerned for known reasons (to be recorded.) If the resultant figure does not agree with the corresponding book balance as brought out in column 19 (*vide* para 187) an adjusting entry (plus or minus representing respectively the deficit or surplus due solely to the revision of rates) should be made and a further total struck which should agree with the book balance.

189. Part II. Summary, is intended to serve two purposes :

(i) to prove the value balances brought in column 19 of Part I (*vide* paragraph 187) and consequently the amounts of the surpluses and deficits requiring adjustment in consequence of the revision, rates, and

(ii) to abstract the value balances so as to bring out by sub heads of stock for the entire division, the aggregate value at current issue rates side by side with the balances as shown in the accounts,

190. When Part II is completed, the Divisional Accountant should write up his report in Part III and submit it to the Divisional Officer who will then review the register of stock and record his remarks and orders in Part III.

(1) This review should be directed to see specially that stores are priced in accordance with the rules, that stocks are taken periodically by responsible officers, and that stocks of individual items are regulated on a consideration of actual requirements of the near future and with due regard to the average consumption of the past and to the prevailing market conditions. The object to secure is that the stock on the register shall consist only of efficient and necessary articles priced within the rates at which they could be purchased at the time.

### V. Ledger.

191. The maintenance of a continuous ledger for each article of stock is not necessary. It is permissible, however, to use loose card or leaf ledgers, in suitable form, in cases, *e. g.*, those of electrical stores where the number of articles handled is large and frequency of transactions renders it desirable to maintain, in respect of each article, a day to day record of the quantities received and issued presenting the resultant balance after each transaction. Where this system is adopted, the following instructions should be observed :—

(a) The card or leaf ledgers should be written up in respect of quantities only but, if values are entered therein for any purpose, they will not be recognised for purposes of accounts.

(b) They should not replace the register of stock P. W. A. form No. 12 but should on the other hand be reconciled therewith at convenient intervals.

(c) If the maintenance of the registers of stock receipts and stock issues (form No. 8) is considered unnecessary, they may be dispensed with, provided that suitable arrangements are made for the abstracts of stock receipts and stock issues to be written up as transactions take place either by a responsible official or on the authority of written reports signed by such an official and supported by necessary vouchers.

(d) The ledgers, if necessary, may be kept in a convenient position in the store go-down, but they should be kept locked, the keys being in the custody of the persons responsible for making entries therein.

192. A peripatetic staff of two clerks working under the control of the Accountant-General shall go about from stores to stores and check the account balance.

193. The audit shall be closely followed by a physical verification of stores by a technically qualified officer not below the rank of a Supervisor (Rs. 100-150 grade). He should work under the control of the Accountant-General. The verification will be done half yearly.

### VI. Stock taking.

194. The results of all verifications of stock (*vide* paragraph 495 P. W. Department Code) should be reported to the Divisional Officer for orders ; but as soon as a discrepancy is noticed, the book balance must be set right by the verifying officer, treating a surplus as a receipt and a deficit as an issue with a suitable remark.

195. (a) The value of stores found surplus should be credited at once as a revenue receipt or a receipt on capital account, as the case may be.

(b) The value of the deficit should, however, not be charged off finally, but kept under 'miscellaneous P. W. Advances' pending recovery or adjustment under orders of competent authority. When the loss is declared to be irrecoverable and its write off ordered, a transfer entry should be prepared closing the head 'miscellaneous P. W. Advances' by debit to.

(i) the works for which the stores were specially collected if the accounts thereof are still open, or

- (ii) the general head 'losses on stock' under one or more major heads, as may be decided by competent authority, on a consideration of the objects for which the stores were stocked.

196. The rule in paragraph 496 of the Public Works Department Code requires that the stock-taking of a sub-division may go on gradually throughout the year. The stocks of an article in a sub-division may, however, be scattered, and it may, therefore, not be possible in such a case to test the aggregate book balance of any article for the sub-division, by an actual verification of all the stocks of it at the same time. Where such conditions prevail the following expedients may be adopted.

(a) Section officers may be required to maintain quantity accounts of receipts, issues and balances (in a form similar to the half-yearly balance return) of stock materials in their charge. These accounts should be posted monthly from the registers of stock receipts and stock issues before the latter are submitted to the Sub-divisional Officer.

(b) These accounts should be submitted to the sub-division office at the close of each half year for record after reconciliation with the half yearly balance return of the sub-division.

(c) As far as possible, the various stocks, in charge of a section officer, of each article, should be verified at or about the same time, so that the difference between the section book balance and the actual balance may at once be known. This difference should be adjusted in the manner prescribed in paragraph 194 without waiting for the results of verification of stocks in other sections.

(1) Before the adjustment of a difference is accepted finally by the Sub-Divisional Officer, he should test the correctness of the Section officer's book balance by reference to the records of his own office.

(2) The Section officers should be required at the time of the stock-taking to bring to account all issues to works made since the closing of the previous month's accounts.

197. In the cases of special stores, depots, or divisions or of construction divisions, where there may be large concentration of stores, their physical verification should be done by the executive authorities in such detail as may be decided by Government in consultation with the Accountant-General.

### *VII. Rectification of accounts.*

198. Clerical errors in value accounts should be dealt with generally under paragraph 143 (see also paragraph 174). Corrections of errors discovered after closing the accounts of the month, should when permissible, be made (i) by making entries of values (without quantities) in the stock accounts of the current month when no change is to be made in the head of account affected, and (ii) by preparing transfer entries in other cases.

**199.** Other corrections in stock accounts may be necessary in the following cases :

(i) When quantities are found surplus or short, either as the result of stock taking, or otherwise, vide paragraphs 495, 500 and 501 of the Public Works Department Code.

(ii) When issue rates have to be raised or lowered, vide paragraph 178.

(iii) When stores of any description become unserviceable (vide paragraph 507 of the Public Works Department Code) and have to be removed from stock.

**200.** These corrections should be effected in the following manner :—

(a) Both in quantity and value accounts all additions to quantities should be treated as receipts, and reductions therein as issues, a suitable remark being made in the entries in forms 8, 9 and 10 (see also paragraph 194 and 195). These entries must be made as soon as the differences in quantities come to notice, but in the case of materials to be declared unserviceable, no adjustment should be made until receipt of orders from competent authority which should be obtained on a survey report in P. W. A. form No. 18.

(b) Alterations in rates made when closing the register of stock should be carried out as indicated in paragraph 188 d. Those made on other occasions should be noted at once in part I of the register of stock by making a fresh entry (with the month of change) in column 20. The resultant rectification of the value of the stock balance should, in all cases, be made only when the register of stock is closed, vide paragraph 188 c. The adjusting entries referred to in that paragraph should, however, be cleared on receipt of orders of competent authority, this clearance being effected by making suitable value entries, without any quantities, in the abstracts of receipts and issues, forms 9 and 10 as the case may be, the values being classified in accordance with the principle enunciated in paragraph 195.

**201.** No correction will be made in the accounts in respect of stores declared to be in excess of requirements, vide paragraph 495 of the Public Works Department Code. Such stores will continue to be borne in the stock account until transferred elsewhere or otherwise disposed of in the ordinary course.

### C. TOOLS AND PLANT.

#### 1. General.

**202.** The tools and plant of a division are of two kinds :

(a) General or ordinary tools and plant, i. e. those required for the general use of the division.

(b) Special tools and plant i. e. those required not for general purposes, but for a specific work.

The cost of the supply, repairs and carriage of articles of class (a) is charged to the minor head 'tools and plant', whereas similar charges of class (b) are borne by the work concerned. In both cases, estimates for the purchase of tools and plant should be prepared and sanctioned and the expenditure incurred against sanctioned estimates in the same way as expenditure on works. See paragraphs 602, 624 and 641 of the Department Code as regards powers of sanction.

NOTE.—See exception under paragraph 158 b and rule (3) under paragraph 177 of this Code, with regard to tools and plant in the workshop and store Division.

**203.** Numerical accounts of articles of both classes should be kept in accordance with the following rules, a separate set of accounts being maintained in each sub-division and one in the division office.

(1) The rules relating to numerical accounts of tools and plant apply also to imperishable articles e. g. typewriters, furniture of rest houses and camp sheds and Government houses, surgical instruments and hospital furniture etc. of special P. W. D. dispensaries whether acquired by charge to heads of account other than 'tools and plant', or received free of cost.

NOTE.—The sub-division returns in P. W. D. forms 13 and 14 and of the monthly accounts of receipts and issues respectively of tools and plant should be carefully filed together in the division office after audit, vide para 210.

**204.** The accounts of tools and plant issued for use by subordinates of the sub-division, or temporarily lent to contractors, as well as those articles lent to local bodies and others under competent authority, should be specially reviewed periodically and it should be seen that the articles are returned without unnecessary delay and in good condition.

This paragraph also applies to tools and plant sent out for repairs.

## II. Numerical Accounts.

### (a) Receipts.

**205.** All articles received should be examined and counted when delivery is taken and the transaction should be posted in the Account of Receipt of tools and plant, form No. 13. Such acknowledgment as may have to be given to the person from whom the articles are received, can be signed only by the Divisional or Sub-Divisional Officer. An acknowledgment should invariably be given when articles lent are received back.

(1) The record of the detailed account should, in the case of purchases from suppliers, be kept in the measurement book in the manner prescribed in paragraphs 268 and 269.

(2) The entries in form No. 13 in respect of the receipt back of articles lent or sent out (*vide* paragraph 204) should be made in red ink, with a reference to the original entries in the Account of issues of tools and plant.

*(b) Issues.*

**206.** All transactions of issues (including those of articles referred to in paragraph 204) should be posted in the Account of Issues of tools and plant, P. W. A. form No. 14. Except in the case of cash sales, unstamped but dated acknowledgments must be obtained in support of all issues and in the case of tools etc., lent to contractors, such acknowledgments should further set forth the valuation of the articles lent as determined by the Sub-Divisional Officer, see also rule (1) to paragraph 167.

(Entries of articles referred to in paragraph 204 should be made in red ink).

*(c) Register of tools and plant.*

**207.** A consolidated account of receipts, issues and balances of tools and plant should be maintained in the sub-division office in P. W. A. form No. 15-Register of tools and plant. This account should be for the twelve months ending Makarom, (*i. e.*, it should embrace transactions up to the date on which the accounts of the month are closed). It should be kept in three parts :

Part I. For articles in hand.

Part II. For articles temporarily lent or sent out  
*vide* paragraph 204.

Part III. For shortage awaiting adjustment.

In part I, articles should be grouped under the prescribed sub-heads, which are—

- (i) Scientific instruments and drawing materials,
- (ii) Plant and machinery,
- (iii) Tools,
- (iv) Navigation plant,
- (v) Camp equipage,
- (vi) Live-stock, and
- (vii) Office furniture.

In part II, the entries should be made in a separate section for each contractor or other person to whom the articles are lent or sent out for repairs etc. Part III is brought into use only if any shortages come to notice and the instructions relating to it are given in paragraph 219.

**208.** Parts I and II of the register should be posted thus :—

(a) The accounts of receipts and issues, P. W. A. forms 13 and 14 should first be totalled up monthly when closing the accounts of the month.

(b) The total receipts and issues of each article thus arrived at should be posted in Part I of the register, form No. 15 in the columns for receipts and issues respectively.

(c) Each separate transaction connected with articles lent or sent out (vide paragraph 204) should further be posted in part II in the section reserved for the contractor or person concerned, articles lent etc., being shown under 'debits' and those received back under 'credits'.

**209.** As soon as the transactions for the month of Makarom have been posted, the account should be closed and balanced and the closing balances should be carried forward to the next year's return.

**210.** *Check in Division Office.* The monthly account of receipts and issues of tools and plant in forms 13 and 14 received from the Sub-Divisional Officers should be checked in the Division Office so as to see that all tools and plant purchased or transferred from other divisions or sub-divisions have been brought on to form No. 13 and that all issues of tools and plant are supported by receipts of the parties concerned and that, in the case of transfers they have been brought on to the account of receipts in form No. 13 of the sub-divisions concerned. The annual returns of the sub-divisions in form No. 15, Register of tools and plant, should also be checked with the monthly returns in forms 13 and 14 before submission to the Accountant General.

### III. Payment for supplies.

**211.** Payment for tools and plant received from suppliers and other sources should be made generally in the manner prescribed for stock receipts in paragraphs 175 and 176.

### IV. Recoveries.

(a) *For use of tools and plant.*

**212.** The procedure to be observed in charging the cost of tools and plant in the accounts of a division and in making adjustments on account of cost of tools and plant used on works executed on behalf of other divisions, departments etc., and on certain works of the division itself, is described in Appendix II. When tools and plant are lent to local bodies, contractors or others, vide paragraph

204, the hire and other charges due should be recovered regularly in accordance with the rules in para 514 of the Public Works Department Code.

NOTE :—To avoid disputes about the levy of hire charges on particular articles lent by Government, contracts should invariably specify in their agreements what tools and plant, if any, are to be supplied free of charge to the contractor.

(b) *For sales and transfers.*

213. The Sub-Divisional Officer is responsible that when tools and plant are disposed of by sale or otherwise, with the sanction of competent authority, the amount recoverable from the parties concerned is realised at the earliest opportunity. If the amount is not received within the month in which the articles are delivered, it should be charged to miscellaneous P. W. Advances as a sale transaction, by the issue of a transfer entry.

(1) A sale account in form No. 19 should be prepared in support of every transaction.

214. When tools and plant are transferred to other divisions or departments, the Sub-Divisional Officer should note in form No. 14 in red ink just below the entries of quantities, the values thereof if recoverable under the rules in chapter XV. The necessary adjustment will be effected by the division office.

215. The foregoing rules will apply equally to special tools and plant the cost of which was charged to a work or project.

(1) On the completion of a work or project on which special tools and plant were used or when these tools and plant are no longer required for use thereon, the Divisional Officers may transfer them, if in efficient condition, to another work or project in the same division or in any other division where they may be required for immediate use after suitable valuation in consultation, if necessary, with the Superintendent, Workshop and Stores Division, crediting the values thus determined to the work from which they are transferred by debit to the new work.

(2) A list of such tools and plant whether originally purchased from the Workshop and Stores Division or from any other source should, when not required for immediate use on any other work or project in the same division or any other division, be circulated by the Executive Engineer concerned to all other Executive Engineers requesting them to report if any of the plant in the list is likely to be required for any work or project in their divisions in the near future. Such of the plant as could be used on any works or projects in the near future should be transferred to the Public Works stores, with the information regarding the works for which they have to be reserved for and the probable date when they will be required for the works.



(3) The Workshop and Stores division should not take into its stock articles of special tools and plant unless it is known that they are likely to be required for use in, where in the near future. Even in the case of ordinary plant offered by any division to the Public Workshop and Stores, such as pumps, rollers, portable engines and all other articles that are in common and regular use in the department, the Superintendent shall have the option of taking them over to the stores stock or not, according to the stock existing at the time of the offer in the stores.

NOTE :—1. It is not permissible to write back the cost of special tools and plant in anticipation of the possibility of the articles being utilised on another work or project at some distant date.

NOTE :—2. No articles can be removed from the numerical accounts, on the plea that the accounts of the work to which the cost of the articles was charged have been closed, until they are actually transferred or until owing to their having become unserviceable, their write off has been sanctioned.

**216.** Tools and plant which the Superintendent, Workshop and Stores Division, proposes to take over from a division to the stores stock under paragraph 215 shall be valued by him by taking into consideration the life, the then actual condition of the plant and the then prevailing market price for a new plant of the kind and the charges (to be estimated) that may have to be incurred on over-haulage and repairs to the plant, and credit given to the extent of the value so arrived at to the work concerned by the Stores Division. In this case, the cost of overhaul and all repairs to the plant and replacements should be borne by the Stores Division but the freight charges to the Stores Division Office should be borne by the work from which the plant is transferred.

If any plant is considered unserviceable, it shall be condemned and the sanction of the competent authority obtained on a survey report for its disposal either by auction as a whole at the place at which it is kept or by breaking it up for its component materials to be transferred to the stock of the Stores Division, Trivandrum, as scrap cast iron or gun metal etc., for remelting, credit of the amount of the sale or valuation of the scrap, as the case may be, being afforded to the work to which the value of the plant stands charged.

If any plant, although serviceable, is not required for immediate use on any other work in any division or is not taken over by the Stores Division, it shall be sold with the sanction of the competent authority either by public auction at the place at which it is kept or by calling for sealed tenders or by any other means considered desirable by the sanctioning authority.

### V. Verification.

**217.** The rule in paragraph 194 regarding verification of stock applies also to tools and plant, with the exception that when any articles are found deficient the note of the deficiency should be made in red ink in the account of issues, form No. 14 without making any entries in the quantity columns, so that the article may continue to be borne on the accounts of tools and plant, until the loss is adjusted by recovery or a sanctioned write off, (see also paragraph 219).

### VI. Rectification of Accounts.

**218.** Clerical errors in the numerical accounts should be dealt with in the manner prescribed in paragraph 174 for stock accounts except that no transfer entries will be necessary.

**219.** Discrepancies in quantities and losses should be dealt with as under :—

(a) When they are noticed, action should be taken as indicated in paragraph 217, losses being treated as deficiencies.

(b) When writing up the register, (form No. 15) the deficiencies should be registered in part III under 'debits' and their clearance should be watched. Articles found surplus will be treated as receipts in Part I and will therefore require no further action.

(c) If the deficiencies are made good in kind, the receipt or recovery should be shown in the accounts of receipts, form No. 13, without making any entry in the quantity columns and, when posting the account in the register, form No. 15, the articles received should not be entered in Part I, but taken (with a suitable remark) direct to part III under 'credits', in clearance of the debit outstanding therein.

(d) If the deficiencies are made good by recovery of their cost or their write off is sanctioned, the articles should be shown, as issued, in the account of issues, form No. 14, with suitable remarks, and when this entry is transcribed into the register, form No. 15, it should not only be entered in part I in the ordinary way, but also entered with a suitable remark in part III, as in case (c), thus clearing debits outstanding therein.

The authority to write off should be obtained on survey report in form No. 18.

### D. ROAD METAL.

#### I. Quantity Accounts.

**220.** Supplies of road metal should be measured and paid for in the same way as supplies of other materials for works, *vide* chapter IX. But as metal is often kept in store at the road side before

being laid down, a quantity account of it should be maintained in the sub-division office in form P. W. A. No. 16 'Statement of receipts, issues and balance of road metal', copies on loose sheets being submitted monthly to the Divisional Officer within a fortnight of the submission of the monthly accounts.

(1) The authority to write off should be obtained on a survey report in form No. 18.

(2) This statement should show, mile by mile, the receipt, disposal and balances of road metal of each kind (stone, gravel, sand etc.) The balance of metal in each mile should be shown, whether there are any transactions on it during the month or not.

(3) The statement should also show the total metal received and issued on each mile of the road at the end of the account for any road or section of a road; an abstract should be worked out to show the receipts and issues according to estimates for the purpose of check with the works accounts. Reference should also be given in the abstract, to the measurement books showing the receipt of metal and to paid vouchers showing labour charges for spreading the same. The total balance as per this abstract should agree with the total balance of the statement.

NOTE:—Surfacing materials, such as coaltar, pitch, asphalt, and proprietary road surfacing stocked for maintenance estimates and for minor estimates for renewals at the roadside will be accounted for in the same way and at the same time as road metal and will also be entered in the road metal return. (see note to paragraph 160.)

**221.** Unused balances of road metal should be verified at least once a year in the manner prescribed in paragraphs 495 and 496 of the Public Works Department Code and whenever this verification is made, a report of verification of the road metal should be prepared by the Sub-divisional officer, showing the balances as per account in form No. 16 and actual verified balances, with explanations for discrepancies and recommendations as to their adjustment. A similar verification should be made whenever the officer responsible for the balance of road metal is transferred.

## II. Rectification of Accounts.

**222.** Metal found surplus, as the result of check measurement or otherwise, should at once be brought on to the quantity accounts. Deficits should not, however, be removed from the quantity accounts until recovery of their value or receipt of sanction to write off; but a red ink remark should be recorded at once and carried forward, from month to month, until the discrepancy is set right.

### III. Schedule of Rates.

**223.** A rate book or schedule of rates, showing the lowest rate at which metal can be supplied to the roadside throughout the division should be kept in the division office in P. W. A. form No. 17 with such modifications as may be considered necessary to suit local conditions. The rates should be revised, from time to time, as old quarries are exhausted or new ones opened or as other circumstances affect the rates, *vide* paragraph 218 of the Department Code.

### IV. Charges of Quarries.

**224.** When land is acquired for extracting road metal primarily intended for,

- (i) the maintenance of an existing road, or
- (ii) the construction of a new road or the raising in class of an existing road,

the following principles of accounting should be followed in adjusting the charges connected with the land and quarries ;

(a) When the charges do not exceed Rs. 500, the amount should be debited direct to 'repairs' or to 'original works' according as the quarry is intended to serve the purpose specified in clause (i) or (ii) above.

(b) When the charges exceed Rs. 500 and the road metal is required to maintain an existing road or roads for a series of years, the total initial outlay should be debited to the sub-head 'land, kilns, etc.' of the stock account, and this sub-head should be gradually relieved, by debit to the collection estimates of each year, in the manner prescribed in paragraph 374 for similar charges connected with manufacture operations.

(c) When the charges exceed Rs. 500 and the road metal is required for the purpose specified in clause (ii) above, the Divisional officer should charge direct to the original work concerned, such portion of the cost as is proper. The balance, if any, should be debited to the sub-head 'land, kilns, etc.' of the stock account, and this sub-head should eventually be cleared by debit to 'repairs' in the manner described in paragraph 374 b.

### E. MATERIALS CHARGED TO WORKS.

**225.** The account procedure relating to materials obtained specially for work is described in Chapter IX. Special tools and plant charged to works do not fall under the category of 'materials charged to works' *vide* paragraphs 202 and 203.

## CHAPTER VII.

## Transfer Entries.

**226.** Transfer entries *i. e.*, entries intended to transfer an item of receipt or charge from the account of a work in progress or of a regular head of account to the account of another work or head, are necessary—

(a) In order to correct an error of classification in the original accounts.

(1) Sometimes it is more convenient to classify items pertaining to several heads (or works) under a single head in the first instance than to classify them under each from the beginning. For example, when a joint work in which several parties are interested is undertaken, the individual transactions relating to it are taken to the accounts of a single party in the first instance, and before closing the accounts of a month, the necessary distributor over all the accounts is effected by transfer entry.

(b) In order to adjust by debit or credit to the proper head of account (or work), an item outstanding in a suspense account or under a debt head.

**NOTE:—**The value of materials issued from stock to a work is not adjusted by a transfer entry but through the stock account at the end of the month *vide* paragraph 300 of this code.

(c) In order to bring to account certain classes of transactions which do not pass through the cash or stock account *e. g.*

(i) for credit to 'purchases' on account of materials received for works from sources other than stock, (*vide* paragraphs 300 and 306);

(ii) for credit to 'P. W. Deposits' on account of balances due to contractors on closed accounts (*vide* paragraph 336);

(iii) for credit to revenue heads on account of revenue not recovered in cash;

(iv) for original debits or credits to remittance heads based on transactions not appearing in cash or stock accounts;

(v) for credits to the heads concerned of the several percentages leviable under the rules *e. g.* those on account of storage (when not received in cash), establishment, tools and plant, workshop charges, *vide* paragraph 506 of the P. W. Department Code and Appendix II and paragraph 413 of this Code.

(d) In order to respond to a remittance transaction advised by the Accountant General, if the corresponding debit or credit to the remittance head has not actually appeared in the accounts ;

(e) In order to relieve the account of a work in progress of

(i) items which have ceased to be chargeable against the estimate for the work ; and

(ii) suspense charges which can no longer be kept within the accounts of the work (*vide* paragraph 329). Such transfer entries are necessary either when the accounts of any contractor or of the work itself are to be closed, or when any recoveries (otherwise than in cash) have become due, *e. g.* by the transfer of stores to any other work or account.

**227.** For every transfer entry there must either be an authority in Form No. 49 transfer entry order, or an order recorded on another document (*e. g.* survey report, form No. 18) and final bill of a contractor's closed account placed under public works deposit which sets forth all the necessary particulars ; see also paragraphs 471 and 489.

(1) In cases in which the transfer entry order is not required to be submitted to audit with the monthly account, *vide* paragraph 503, the necessary order, if not initiated by a Sub-Divisional Officer, may be signified by the Divisional Officer's initials against the entry in the transfer entry book (paragraph 231).

(2) There is no objection to a transfer entry covering a number of adjustments and corrections, provided that all the necessary particulars are set forth in respect of each.

(3) Transfer entries initiated by the Sub-Divisional Officer should be done in triplicate, the second and third copies being prepared by the carbon copy process. The Division Office will file one copy in support of an abbreviated entry in the adjustment register and forward the second copy to the Accountant General's Office in support of the monthly account *vide* 503 (vi).

**228.** A transfer entry order may be initiated by the Sub-Divisional Officer and should be so initiated by him in all cases falling within clauses (a), (b), (c) & (e) of paragraph 226 which come within his cognisance.

**229.** The Divisional Officer is responsible that no transfer entry is made in the accounts unless admissible under the rules, that a transfer entry is made as soon as it becomes necessary, and that

transfer entry orders in respect of transactions falling under clauses (a), (b) & (e) of paragraph 226, proposed by Sub-Divisional Officers are countersigned by himself in token of acceptance.

Transfer entries should receive the special attention of Divisional Officers so that habitual errors and misclassifications in the accounts of subordinate offices may not remain un-noticed.

**230.** All transfer entry orders should set forth such explanation of the correction or adjustment proposed to be made, as would establish clearly the correctness and necessity of the entry.

(1) In cases of corrections involving a reduction in the charges against the estimate of a work, it is essential not only that full particulars of the vouchers and accounts in which the erroneous charges originally appeared are specified, but also that the circumstances in which the charges were wrongly allocated under the estimate for the work are clearly set forth. It is not sufficient to state that the charges were erroneously classified previously.

**231.** All transfer entries ordered to be made should be registered in the transfer entry book, form No. 50 maintained in the Division Office. Entries should be grouped separately for each month in the accounts of which they are to be incorporated. Before the book is closed monthly, the Divisional Accountant should see that no adjustments which are required to be made under any rule are omitted.

**232.** No transfer should be made from one sub head to another in the accounts of a work except on the authority of a formal transfer entry order prepared in accordance with the procedure prescribed in this chapter and approved by the Divisional Officer. The order should be filed with the Works Abstract for the month in which the transfer is effected and it should not be entered in the transfer entry book.

---

## CHAPTER VIII.

## Revenue Receipts

## A. GENERAL

**233.** Public Works revenue is assessed and realised in accordance with the rules prescribed by the Government. The detailed rules relating to the realisation of revenue from miscellaneous properties and rents of buildings are contained in paragraphs 520 and 521 of the Public Works Department Code. The rules relating to license and other fees from navigation are contained in the Public Canals and Ferries Acts and the rules issued thereunder. The bulk of the irrigation revenue for the supply of water for cultivation purposes is collected by the Land Revenue Department and the Public Works Department has no hand in its collection or accounts. The general principles for the hiring of tools and plant including floating plant are contained in paragraphs 514 to 516 of the Public Works Department Code. When revenue is collected, it should be correctly brought to account in accordance with the classification prescribed in Appendix I.

**234.** A register of miscellaneous properties should be maintained in each sub-division in P.W.A. Form No. 80. In order that no item of revenue may be lost sight of, this register should be submitted monthly to the Division Office and also at the time of the audit inspection.

On the first page of the register there should be clear information available to show (i) that the register is signed by the Sub-Divisional Officer every month whether there are transactions during the month or not; (ii) when the register is sent to the Division Office and (iii) when it is received back in the Sub-Division Office. When there are no transactions in a month, the register need not be submitted by the Sub-Divisional Officer to the Divisional Officer. The reason for the non-submission should be recorded in the register against the month under the signature of the Sub-Divisional Officer and the fact intimated to the Divisional Officer.

**235.** The licensing and registration of vessels under the Canals and Ferries Act and the collection and accounting of fees therefrom are detailed in the subsidiary rules passed by Government in R. Dis. No. 938/24/P. W. dated 28-7-1924. The forms necessary for the accounting of this revenue are also appended to the above rules.



**236.** Distinction must be made between receipts which are finally creditable to Government as revenue of the department and transactions which represent merely such cash or other value received as has either to be eventually repaid or to be utilised to meet the cost of some service to be rendered or already rendered or to be taken in reduction of expenditure previously incurred. Receipts of the latter class are creditable to the debt, deposit, remittance or expenditure head concerned and are not subject to the rules of this chapter. See also statement A of Appendix I.

NOTE.—1. For appropriation of unclaimed balances lying in the deposit accounts, see paragraph 427.

NOTE.—2. The sale proceeds of trees felled in the compound of the Public Offices should be treated as XXVII, sale of avenue trees, if the felling is done in the course of execution of works by the P. W. D. In other cases, the sale proceeds of the usufruct of trees and of trees felled should be credited to the Department to which the cost of maintenance of the compound is charged.

**237.** (a) It is not permissible, except in the case of storage charges on stock sold on credit, to credit revenue to the head concerned until it is realised, but Divisional Officers are responsible that demands are made as revenue falls due, that steps are taken with a view to effect prompt realisation of all revenue, regular or occasional and that proper records are kept to show in respect of all items of revenue, recurring or non-recurring, the assessments made, the progress of recovery and the outstanding debts due to Government.

The object of this rule is that all classes of revenue whether accruing from property of any kind, from leases of rights and concessions (*e. g.* rights for fishing, etc., and the use of water power) or from any other source are properly watched.

(b) The recovery of all debts due to Government should receive the special attention of the Divisional Officer and no debt should be remitted or written off except under the orders of competent authority.

## B. LAND REVENUE DEPARTMENT.

**238.** When revenue from irrigation is realised in the Land Revenue Department, the procedure described below should be observed : •

(a) The collections made in the Land Revenue Department are paid direct into treasuries. They are brought to account to credit of the revenue heads concerned in the Audit Office without being passed on to the Divisional Officer for adjustment.

(b) The Accountant General should bring to the notice of the Land Revenue Commissioner and the Chief Engineer any marked short-coming of revenue realisations as compared with the budget estimates.

## C. RENTS OF BUILDINGS AND LANDS

### *I. Demands and Recoveries*

#### *(a) From Private persons*

**239.** When a public building, land or other property is let to a person not in the service of Government, the full assessed rent should be recovered in advance.

NOTE :—Sums received in advance for payment of rents of lands should be credited to revenue.

#### *(b) From Government servants and pensioners*

**240.** The recovery of rents from Government servants occupying rentable buildings in charge of the department may be made either in cash or by deduction from their pay bills through the treasury officer or other disbursing officer concerned, in accordance with the rules in articles 247 to 257 of the Travancore Financial and Account Code.

The system of direct recovery in cash from employees of other divisions and departments is ordinarily not suitable when the rent recoverable is dependent upon the rate of pay of the occupant.

Amounts due on account of the hire of Government furniture and on account of the value of articles of furniture and other Government properties lost or damaged by a Government servant as well as any other dues for which a Government servant may be liable to Government in respect of the residence allotted to him may also be recovered in cash or by deduction from pay bills in accordance with the rules in this paragraph.

**241.** When rent is recoverable in cash, a bill in a suitable form should be sent to the tenant on or before the last day of each month. The tenant should be required to pay in the rent before the expiry of the following month.

**242.** When recoveries of rent are to be effected through a treasury officer or other disbursing officer, a demand in P.W.A. form No. 46, statement of rents recoverable in cash or by deduction

from pay bills, should be sent, in duplicate at least 4 days before the last day of each month, to the officer concerned who will make the necessary recoveries and return one copy of the statement duly completed between the 22nd and 25th of the following month.

(1) Treasury officers and other disbursing officers have instructions to recover the amounts specified by the Divisional officer without prior reference to the tenants and to note, in the statement of rents, the particulars of emoluments and of charges therein in respect of Government servants whose rent is limited to a percentage of such emoluments.

(2) If the rent recoverable from a Government servant is limited to a certain percentage of his emolument and the emolument is changed retrospectively, the rate at which rent is recovered should also be changed retrospectively.

(3) If a Divisional Accountant becomes aware that the salary of a Government servant has been changed in respect of a period during which he occupied a Government residence at some other station or stations, he should see that the intimation of the change of emoluments is given to the Divisional Officers of the stations concerned to enable them to recover the arrears of rent when necessary.

(4) In cases of cash recovery from Government servants, the Division Office should obtain from the disbursing officers a certified statement in form No. 46.

(5) In form No. 46 will also be included any amounts due on account of the hire of Government furniture, the value of articles of furniture and other Government property lost or damaged by a Government servant as well as any other dues for which a Government servant may be liable to Government in respect of the residence allotted to him.

(6) A separate form No. 46 should be prepared in respect of each tenant who is a gazetted officer who draws his pay direct from the treasury. For non-gazetted officers, there should be a single consolidated form for each class of establishment whose pay is drawn in a separate bill. Particulars in regard to this should be obtained by the division office from the drawing officers.

(7) In the case of gazetted officers, the P.W.A. Form No. 46 will be filled up from the information contained in the pay slip received from the audit office under paragraph 122 of the Audit Code. When a tenant goes into occupation of a residence, the Divisional officer will intimate the fact to the Accountant General and call for pay

slip. In the case of non-gazetted officers, the P.W.A. Form No. 46 will be prepared on the basis of information to be obtained from drawing officers.

**243.** In preparing the statement of demands, the Executive Engineer should rely upon copies of pay slips of gazetted officers received from the Accountant General and intimations, from heads of offices, of the changes in the emoluments of non-gazetted officers occupying Government residences. The completed copy of P.W.A. Form No. 46 returned by the Treasury Officer should also be made use of in preparing the statement of rents for the next month, and the assessment should be revised whenever any change of emoluments has been noted by the Treasury Officer. The Executive Engineer should provide also for the recovery of additional rent due either because the full amount has not been collected in the previous month, or because arrears of emoluments have been paid to a Government servant.

NOTE :—After necessary action has been taken on the statement of rents in P. W. A. form No. 46 returned by the Treasury Officer, the Executive Engineer will forward it to the Audit Office with the monthly return of buildings.

**244.** Amounts recovered by Treasury Officers by deduction from pay bills cashed at Treasuries will not be passed on to the Divisional Officer for adjustment as the Accountant General will credit the revenue head direct in his own books. The Divisional Officer should, however, credit the accounts of the tenants in the register for rents of buildings and lands in Account form No. 21, paragraph 255, with the recoveries as certified by the treasury, disbursing, or drawing officer concerned.

(1) The Accountant General will forward to the Division office the statement in P.W.A. Form No 46 received during a month in the audit office with the accounts of treasuries for verification with the set of statements received in the Division Office direct from the treasury. The Divisional Accountant should see that no statement pertaining to that treasury has been omitted to be sent by the Audit Office. He should compare these with the corresponding entries in the register of rents of buildings and lands (Account form No. 21) and take steps to raise the assessment of rents of Government servants whose rates of emoluments have been altered by the audit office.

(2) When a Government servant is transferred or proceeds on leave or retires, the Executive Engineer should give the Treasury Officer as early a notice as possible of the date up to which rent is payable,

All Heads of departments and offices should furnish not later than 15th of every month, to the Executive Engineer, a statement in suitable form showing the particulars regarding the names, designations, emoluments, etc., of the officers occupying quarters provided by Government irrespective of the fact that rent is payable for them or not, and the changes in the occupancy of such buildings. In the case of vacant buildings, Heads of offices should furnish information as to what period each building is expected to be vacant and whether the building will be required during that period by any officer of the same department. The Executive Engineer should then consider the desirability of finding tenants for the vacant buildings.

NOTE.—For the purpose of the above rule, it will be sufficient if heads of Offices intimate monthly in the form of additions to and changes in the completed statement once furnished. When there are no changes, the fact should be intimated to the Executive Engineer concerned.

**245.** The duties of Treasury Officers in matter of recovery of rents are laid down below:—

(i) The Treasury Officer will note in column 6 of both copies of statement of rent recording at the bottom of the statement a certificate that he has done so.

(a) the emoluments actually drawn by the tenant where they differ from those entered by the Executive Engineer in column 3.

(b) any sum drawn by the tenant as arrears of emoluments with details of the rate at and period for which it has been drawn.

He will also note in column 6 the number of the bill from which deduction of each item of the rent was made, and if, in any instance, the rent in column 4 has not been recovered in full, a brief explanation of the reasons for non-recovery.

(ii) He will return one copy of the statement thus completed to the Executive Engineer so as to reach the latter officer by the 25th of every month.

(iii) He will obtain from sub treasuries details of recoveries of rent effected there in time for inclusion in this copy of the statement of rents. Any subsequent recoveries effected by the Treasury Officer, or a Sub-Treasury officer, too late for inclusion in the statement, should be included in the statement of the following month.

(iv) He will compare and agree the total of the recoveries shown in the other copy of the statement of rents (which should include recoveries made too late for inclusion in the first copy) with the total credits in the treasury account and will submit this copy to the audit office with the treasury account for the month in which the recoveries were made.

(v) He will continue to recover rent at a rate once intimated by the Executive Engineer until advice to the contrary is received from him, whether the monthly demand statement P. W. A. form No. 46 has been received or not; and when a Government servant is transferred, proceeds on leave, or retires, he will, unless otherwise instructed by the Executive Engineer.—

(a) if the Government servant is paid up to the date of making over charge, recover from the pay bill the rent due up to that date;

(b) if the Government servant is not paid up to the date of making over charge, recover from any pay bill paid, the rent due for the period covered by the pay bill, and note on the reverse of the last pay certificate the balance of rent due for recovery on account of the remaining period up to the date of making over charge.

(vi) He will not conduct any correspondence with tenants on the subject of their rents but will refer them to the Executive Engineer.

**246.** Recoveries made by other disbursing officers should be credited to the accounts of tenants in the register of rents of buildings and lands, Account form No. 21 and adjusted in the division accounts by debit to the remittance head concerned, on the authority of the certified statements received back from them without waiting for the intimation of the corresponding credit from the audit Office.

**247.** A tenant who is in receipt of a pension from Government should be treated as a private individual for the purpose of these rules. But if he desires to make payment by deductions from his pension, recoveries from him may be made through the Treasury Officer or other disbursing officer concerned, on the pensioner's furnishing the Divisional Officer with a written request authorising such deduction. This authority should be transmitted to the Treasury of disbursing officer with the first demand.

**248.** In the case of vacation of quarters by a Government servant before the last day of a month, owing to his departure on transfer, leave or retirement, the demand for the rent for the broken period should be made at once so that the amount due may be recovered before his departure.

**249.** Pending orders on a representation against the Divisional Officer's assessment, the amount assessed should be paid by tenants on demand. Should the representation prove successful, the excess charged should be adjusted as soon as orders are issued, by a deduction in the assessment of a subsequent month, or if this is not practicable or convenient by an actual repayment.

#### D. REFUNDS AND REMISSIONS.

**250.** Remissions of irrigation revenue allowed before collection should be treated as reductions of demands and cash re-payments of such revenue after collection, as "refunds" of revenue. All other refunds of revenue and repayments of receipts and recoveries on capital account (Appendix I Statement A) should be taken in reduction of the receipts under the heads concerned.

**251.** Before a remission or refund of any kind, otherwise in order, is allowed, the original demand or realisation, as the case may be, should be traced and a reference to the remission or payment should be so recorded against the original entry in the cash book and other accounts as to make the entertainment of a double or erroneous claim impossible. Any acknowledgment previously granted should be taken back if possible and destroyed, a note of the repayment being, in any case, recorded on the counterfoil of the receipt.

#### E. ACCOUNTS PROCEDURE.

##### I. Register of Revenue.

**252.** All revenue receipts of the division should be classified and abstracted in a register of revenue, P. W. A. form No. 45 maintained in the division office. The receipts relating to each project for which a separate revenue account is kept, should be registered separately and all the other receipts pertaining to a major head should be booked collectively. In this register a column is opened for each minor head of revenue (and detailed heads subordinate to it) other than deduct—refund, for which a single deduction is made for the total revenue of the month, the details of the charges making up the figure to be deducted being recorded in a separate register of refunds of revenues which should also be in form No. 45.

(1) For accounts procedure in respect of refunds of rents realised, see rule 1 to paragraph 257.

**253.** All receipts falling under the minor head "receipts and recoveries on capital account," should also be abstracted in form No. 45, a separate account being kept for each project the expenditure of which is booked separately.

**254.** In respect of rent receipts of the buildings and special services for which a subsidiary account is kept in Account Form No. 21, it is not necessary to make entries in detail in any of the registers in Form No. 45. The monthly totals only (excluding the amounts realised by Treasury Officers) for each class, of the rents for which separate detailed heads have been opened under the minor head "rents" should be transferred from Account Form No. 21 to Form No. 45.

## II. Register of Rents.

**255.** A register in Account Form No. 21 (register of rents of buildings and lands) should be maintained in the Division Office to show the monthly assessments, realisations and balances of rents, of all residential buildings (including office buildings used as residences) and of such other buildings, lands, etc., as may be available for being let. No building or site should be excluded from this register on the plea that it is intended to be occupied rent-free or is not likely to be rented, but all such buildings may be grouped separately.

(1) Private buildings which have been hired for use as residences or are used as such, wholly or in part, should be included in this register.

(2) Rent free quarters for menials need not be entered in this register except when allotted to persons from whom rent is recoverable, nor need rest houses and other traveller's bungalows be entered.

**256.** The entries relating to the assessment of rent should be made month by month and for this purpose arrangements should be made to obtain timely intimation (with full particulars) of all changes of tenancy from the subordinates in charge of the properties.

(1) If any property is occupied free of rent, or if the rate for any month's assessment is neither the standard rate nor the ten per cent of the occupant's salary, a suitable remark (quoting authority) should be made against the entry relating to it. If a Government servant is not entitled to but is actually allowed the benefit of the 10 per cent concession, a reference to the specific orders of Government allowing it should be recorded in the remarks column of the register of rent.

**257.** The total realisations of each month should be abstracted at the foot of the register so as to show separately (i) cash realised in divisions, (ii) recoveries by other disbursing officers adjusted in the division accounts (paragraph 246) and (iii) recoveries at treasuries adjustable in the audit office (paragraph 244) for both rents of buildings and rents of lands etc. If any buildings are provided with special services such as furniture for which rent is charged separately, the account of rent charged for each building in respect of these services should be kept separate from that of the rent of the building itself and in the abstract also the realisations on account of each of these services should be shown separately.

(1) Refunds of rents realised should be treated as payments made and should therefore be shown separately as minus realisation in the register of rents of buildings and lands and thus distinguished from gross realisations of rent.



## CHAPTER IX.

## Works Accounts.

## A. GENERAL PRINCIPLES.

**258.** (a) Expenditure on the construction or maintenance of a work may be broadly divided into two classes *viz.*, (i) cash and (ii) stock charges. As explained in chapters V and VI these charges are recorded in the cash and stock accounts respectively.

(b) In addition to the charges falling under these main classes, there are other transactions affecting the cost of a work. For example, there may be charges incurred in other divisions or departments, materials received from or services rendered by them, or there may be cash receipts such as are taken in reduction of expenditure in accordance with the rules.

(c) All these transactions pass into the general accounts of the division in the manner described in chapter XVII and are thence consolidated into the accounts of the State. As, however, the units of classification adopted in the general accounts in respect of expenditure are certain heads of account and not individual estimates for works or contract accounts, it is necessary to maintain separate accounts in the sub-division and division offices for recording (i) the cost of individual works and (ii) the transactions of individual contractors. These are known as works accounts.

**259.** Although the primary object of the accounts of works is to exhibit simply but accurately, the actual cost of work done, the rules frequently require the upkeep of separate accounts for the several component parts of a work which are not required to attain this object. There are two main reasons for this. In the first place, it is often desirable to have details which will satisfy the need for statistical information and for analysis of the comparative cost of various classes of work, of types of buildings etc. The more important reason, however, is that in the case of the larger works, especially if the period of construction ranges over a long period, it would not be possible for the Divisional Officers to exercise efficient financial control over the recorded transactions of the cost of a work if only the total cost were recorded in the accounts of the work. The Divisional Officers' personal knowledge of the executive arrangements for the execution of a work and of the actual progress of work, must be supplemented by a comparison monthly of the cost as recorded in the accounts with the value received in the shape of work done. This monthly comparison is obviously impossible unless the total cost is split up into convenient parts in such a way that as far as possible the cost of each distinct part may be compared with the work done thereon.

**260.** In recording the cost of an individual work in the accounts, no attempt is made to include therein any charge on account of general services, like establishment and tools and plant, the entire cost whereof is adjusted in the general accounts under the prescribed heads of classification. But if any service connected with the working estimate for a work is rendered by another division or department and the claim made by it includes an authorised charge on account of such general services, under paragraph 5 of Appendix II such charge may be accepted and adjusted in the accounts of the work as part of the cost of the work in the same way as if the service had been rendered by a contractor.

(1) When the cost of special tools and plant is included in the cost of a work under paragraph 202, the rules in chapter VI regarding numerical lists or returns will apply *mutatis mutandis* and adjustments on account of the cost of tools and plant transferred to other works, divisions or departments will be governed by the rules in paragraphs 215 & 216.

(2) Lump sum charges of establishment and tools and plant recoverable from other States and the Resident, Madras States for works executed for them under a standing arrangement, should not be included in the accounts of the works but dealt with under the rules in Appendix II.

(3) The cost of special establishment employed on the acquisition of land when chargeable to the accounts of the work concerned under Article 517 of the Travancore Financial and Account Code should be treated as part of the works expenditure.

**261.** Primarily the Divisional Officer is the responsible disbursing officer of the division. Sub-Divisional Officers may however be permitted to pay bills without pre-audit in the division office up to the maximum amount of his contractual powers, *viz.*, Rs. 200 in the case of piece works and up to Rs. 1,000 in the case of intermediate bills relating to other kinds of contract. A Divisional Officer may, if necessary, require bills even below the limits laid down above to be sent for pre-audit.

**NOTE. 1.** This limit of Rs. 1,000 in respect of intermediate payments refers to the work actually executed or supplies received and is also the maximum limit up to which payments may be made on any work in a month. This limit is not affected by bills paid after pre-audit in the division office.

**NOTE. 2.** Sub-Divisional Officers are authorised to refund deposits credited in the sub division cash book after necessary verification except in cases where the party fails to produce the original receipts, or the item to be refunded has already been credited to Government under paragraph 427 of this Code, or confiscated under the provisions of an agreement or bond.

**262.** Initial accounts and vouchers connected with charges relating to works must invariably specify (i) the full name of the work as given in the estimate, (ii) the name of the component part (or a sub-head) of it, if separate accounts are kept up for the several component parts and (iii) the charges (if any) which are of the nature of recoverable payments and the names of the contractors or others from whom recoverable.

In the case of recoverable charges, it should be seen particularly that the contractors or others on whose behalf the charges are incurred do not get the benefit of any concession to which they would not be entitled if they had themselves incurred the charges.

## B. CASH PAYMENTS.

### I. Introductory.

**263.** Cash charges on works consist of payments (i) to labourers and members of work charged establishment of their wages and (ii) to contractors and others for work done or other services rendered. The cost of materials procured specially for works is charged to the accounts of works by transfer credit to the 'purchases' account, but payments to suppliers are governed by the same rules as payments to contractors for work done. The general rules relating to cash payments and vouchers in paragraphs 128 to 138 apply to all these classes of payments. Only special rules are therefore set forth in this chapter.

**264.** The rules in article 88 of the Financial and Account Code enjoining that inevitable payments should be liquidated and recorded at the earliest possible date should be carefully observed, (see also paragraph 283 of the Public Works Department Code.) In cases where payments may not be considered as inevitable, all the formalities required in that connection before payment can be made, have to be gone through in detail. The maximum intervals permissible at the several stages between the measurement of a work and payment of bill for it are as noted below:—

Preparation of bill in the Section Office after measurement of work.	Within 2 weeks from date of measurement.
--	--

Scrutiny of bill in the Sub-Division-Office and passing it for payment by Sub-Divisional Officer where Sub-Divisional Officer is competent to make payment.	Within 2 weeks from date of receipt of bill in Sub-Division Office.
---	---

Scrutiny of bill in the Division Office and passing the same for payment in Division Office. Within one month from the date of receipt of bill in Division Office.

*N. B.* The above limits will apply only to works for which all the formalities and preliminary steps required to start the same (such as sanction to estimates and funds, and execution of agreement have been gone through in detail.)

## II. Payments to Labourers.

### (a) *Departmental Labour.*

**265.** With the following exceptions, all persons engaged departmentally for the execution of works are considered as day labourers and their wages should be drawn on muster rolls, P. W. A. Form No. 20 and charged to the estimates of the works on which they are employed.

(i) Permanent and temporary employees of the division whose pay is charged to the head 'establishment'.

(ii) Members of the work charged establishment as detailed in paras 122 to 132 of the Public Works Department Code.

Discrepancies between labour reports in Form No. 81 and muster rolls should be investigated as soon as the latter are received.

**266.** Muster rolls should be prepared and dealt with in accordance with the following rules in P. W. A. Form No. 20.

(a) One or more muster rolls should be kept for each work, but muster rolls should never be prepared in duplicate. It is permissible, however, to keep one muster roll for labourers employed upon several small works, in cases in which no harm can result if the total unpaid wages are regarded as relating only to the largest work in the group.

NOTE—Entries in muster rolls should be made in ink or indelible pencil.

(b) Labourers may be paid more than once a month and the period covered by each payment may be determined locally; but separate rolls must be prepared for each period of payment.

(c) The daily attendance and absence of labourers and the fines inflicted on them should be recorded daily in part I of the muster roll in such a way as (i) to facilitate the correct calculation

of the net wages of each person for the period of payment, (ii) to render it difficult to be tampered with or for unauthorised additions or alterations to be made in the entries once recorded and (iii) to facilitate the correct classification of the cost of labour by works and sub-heads of works when necessary.

NOTE - Sub-Divisional Officers should as frequently as possible test check the attendance of labourers, especially in cases where it is anticipated that the aggregate payment on nominal muster rolls in connection with a work will exceed Rs. 200.

(d) After a muster roll has been passed by the Sub-Divisional Officer, payment thereon should be made as expeditiously as possible. Each payment should be made or witnessed by the official of the highest standing available who should certify to the payments individually or by groups, at the same time specifying, both in words and in figures at the foot of the muster roll, the total amount paid on each date. If any items remain unpaid, the details thereof should be recorded in part II, the register of arrears, before the memorandum at the foot of the muster roll is completed, by the person who made the payment.

(e) Unpaid items should subsequently be carried forward from muster roll to muster roll until they are paid, the payments being recorded and certified to in part II in the same way as payment of current items.

(f) Wages remaining unpaid for three months should be reported to the Divisional Officer who will decide in each case whether the liability as an amount available for payment should continue to be borne in the accounts of the work concerned, as exhibited in the sub-division record prescribed in clause (e).

For action to be taken on the completion of the work, see paragraph 335.

(g) In part III of the muster roll form should be recorded the progress of work done by the labour shown thereon in all cases when work is susceptible of measurement. If the work is not susceptible of measurement, a remark to that effect should be recorded.

NOTE.—It is not necessary to reproduce the details of measurement in part III, nor need part III be written up if progress is reported once a month or often in any other suitable form and such separate reports are considered sufficient.

(h) In exceptional and urgent cases, such as urgent silt clearance of canals or closing breaches, where labourers are employed casually for short periods, payment may be made on a casual labour roll, Form No. 21 in which the names of the labourers need not be given, but such payments may not be made except by an

officer not below the rank of a supervisor, nor need muster rolls in Form No. 20 be used in the case of work done on requisition, Form No. 30, where the entries of daily labour are few; in such cases the particulars can be entered on the form of requisition.

(i) The tabular information under part IV of the muster roll form is intended to locate and minimise delays on the part or the various subordinates who deal with the roll from issue to the final return.

### (b) LABOUR ENGAGED THROUGH A CONTRACTOR.

**267.** The payment of daily labour through a contractor, instead of by muster roll in the usual way, is objectionable on principle. In a case of great emergency, it may sometimes be found impossible to employ labour otherwise than through a contractor. Should it be possible, in such a case, to determine the quantities of work done after its completion or at intervals during its progress, it is expedient to pay the contractor, at suitable rates, on the basis of work actually executed. But if, as in the case of urgent repair of canal breaches, this method of payment is not practicable, it is permissible to pay the contractor on the basis of the number of labourers employed, day by day, his own profit or commission being either included in the rates allowed, or paid separately in a lump sum or at a percentage rate. When this course is adopted, a report of the number of labourers of each class employed day by day should be made by the subordinate in charge of the work daily to the Sub-Divisional Officer, in P. W. A. Form No. 81, to enable the latter to keep a check on the expenditure and to deal with the contractor's claim when received. To avoid disputes with the contractors, they should be encouraged to sign the daily reports in token of their acceptance as correct.

The use of the muster roll or the measurement book (paragraph) 268 is not permissible in such cases.

## III. Payments to Suppliers and Contractors.

### A. RECORD OF MEASUREMENTS.

#### (i) *Measurement books*

**268.** Payments for all work done otherwise than by daily labour and for all supplies are made on the basis of measurements

recorded in measurement books, P. W. A. Form No. 22, in accordance with the rules in paragraph 462 of the Public Works Department Code. The measurement books should, therefore, be considered as very important account records. All the books belonging to a division should be numbered serially and a register of them should be maintained in P. W. A. Form No. 88 in the division office showing the serial number of each book, the names of the sub-divisions to which issued, the date of issue and the date of its return, so that its eventual return to the division office may be watched.

(1) A similar register should be maintained in the sub-division office showing the names of the sub-divisional officer and section officers to whom measurement books are issued. Books no longer in use should be withdrawn promptly even though not completely written up.

(2) Such of the completed measurement books as contain measurements of the works executed by contractors having running accounts, should be sent to the division office for final record after final bills have been paid to the contractors. Until then, such books if not required for reference by sub-divisional officers or section officers should be sent to the division office for temporary record to be taken back when payments have to be made.

But the completed books which contain wholly measurements of works or supplies, for which payments are made on hand receipts or first and final bills, or measurements of items of works carried out departmentally, for which payments are made on nominal muster rolls, or both, should be sent to the division office for final record immediately after all bills, the measurements of which are recorded therein, have been paid.

#### (ii) *Detailed measurements.*

**269.** In recording detailed measurements, the following general instructions should be carefully observed :

(a) The top most lines under columns 1 to 4 on each page of the measurement book should invariably be filled in the field. None of the lines should be left blank. Any line not required should be carefully scored through in order to prevent additional entries being made later on. Detailed measurements should be recorded only by Executive, Assistant or Sub Engineers or by

Executive subordinates in charge of works to whom measurement books have been supplied for the purpose.

NOTE 1. Measurements made by an executive subordinate in charge of a work should be checked by the Sub-Divisional Officer by actual measurements by comparison with plans and estimates or by inspection. When measurements are taken by the Sub-Divisional Officer himself, they should, as far as possible, be checked by the Executive Engineer.

2. Engineer and Engineer subordinate students undergoing their practical course may be allowed to record measurements provided they are systematically checked by one of the officers mentioned above.
3. Division store-keepers or stores clerks or the divisional head clerk in the absence of both, may, in cases where there are no executive subordinates on the spot, and in special cases where the Executive Engineer considers that the exigencies of the service require it, record their measurements of stores received in measurement books.
4. The foreman in the P. W. Workshops is permitted to record detailed measurements in measurement books.

(b) All measurements should be neatly taken down in a measurement book, form No. 22 issued for the purpose, and nowhere else.

(c) Each set of measurements should commence with entries stating :

- (i) in the case of bills for works done,
  - (a) full name of work as given in estimate,
  - (b) situation of work,
  - (c) name of contractor,
  - (d) number and date of his agreement,
  - (e) date of measurement.

(ii) In the case of bills for supply of materials (a) name of supplier, (b) number and date of his agreement or order (c) purpose of supply in one of the following forms applicable to the case :—

(i) 'stock' (for all supplies for stock purposes) (ii) 'purchase' for direct issue to (here enter full name of work as given in estimate) ..... (iii) 'purchases' for (here enter full name of work as given in estimate) ..... for issue to contractor.....

and (d) date of written order to commence supplies (e) date of actual completion of supplies and (f) date of measurement ; and should end with the dated signature and designation of the person making the measurements. A suitable abstract should then be prepared which should collect the total quantities of each distinct item of work relating to each sanctioned sub-head.

(d) As all payments for works or supplies are based on the quantities recorded in the measurement book, it is incumbent upon



the person taking measurements to record the quantities clearly and accurately. He will be responsible for the correctness of the entries in the column 'contents or area' for the measurements recorded by him. If the measurements are taken in connection with a running contract account on which work has been previously measured, he is further responsible (1) that reference to the last set of measurements is recorded and (2) that, if the entire job or contract has been completed, the date of completion is duly noted. If the measurements taken are the first set of measurements on a running account, or the first and final measurements, this fact should be suitably noted against the entries in the measurement book, and in the latter case, the actual date of completion noted. The signature of the contractor or his agent should be obtained in measurement books after each set of measurements with the addition 'I accept the measurements'. In the case of illiterate men their marks should be attested by an independent witness.

(e) Entries should be recorded continuously in the measurement books. No blank pages may be left and no page torn out. Any page left blank inadvertently must be cancelled by diagonal lines, the cancellation being attested. See also paragraph 462 of the Public Works Department Code.

(f) No entry may be erased. If a mistake is made, it should be corrected by the responsible officer. When any measurements are cancelled, the cancellation must be supported by the dated initials of the officer ordering the cancellation or by a reference to his orders initialled by the officer who made the measurements. In either case the reason for cancellation should be recorded.

(g) Entries should, if possible, be made in ink. When this is not possible, pencil entries should not be inked over. Entries in the 'contents or area' column should be made in ink in the first instance.

(h) Each measurement book should be provided with an index which should be kept up-to-date.

### (iii) *Standard Measurements.*

**270.** It is usual in the Public Works Department to maintain standard measurement books of buildings in order to facilitate the preparation of estimates for periodical repairs. Where such standard books are maintained, it is also permissible to utilise them for the purpose of preparing contractors' bills for such repairs, so that it may not be necessary to take detailed measurements on each occasion.

**271.** The following rules for the efficient maintenance of these standard measurement books and the preparation of bills based thereon should be followed :

(1) The entries of measurements and abstracts thereof should be recorded legibly in ink and certified by an officer of at least the standing of a Sub-Divisional Officer in his own handwriting to the effect that they are correct for the purposes of preparing both the periodical repair estimates and the contractor's bills. Any corrections necessary should be attested by a Sub-Divisional Officer or an Executive Engineer.

(2) All the standard measurement books maintained in a division should be numbered in alphabetical series so as to be readily distinguished from ordinary measurement books, and a register of them maintained in the division office in P. W. A. form No. 88. A similar register should be maintained in each sub-division showing the books belonging to it and the registers kept under lock and key in the custody of the divisional or the Sub-Divisional Officer concerned. The original standard measurement books should be kept in the personal custody of the Divisional Accountant in the division office.

(3) Certified copies of measurement books relating to works in charge of sub-divisional offices should be sent to them to be kept in their personal custody and noted on separate pages of the sub-division register of measurement books.

(4) For the use of section officers, standard measurements of each work copied in loose sheets and signed by the Executive Engineer should be sent to the Sub-Divisional Officers who will issue them to the section officers concerned.

**NOTE.** This need not be done when the sub-division office and section office are at the same station.

(5) When corrections have to be made owing to additions or alterations in buildings, the sub-divisional officers concerned should make the corrections in their copies of the measurement books. At the same time, they should be intimated to the Executive Engineer who will have the books in their office corrected under their initials. The copies with the section officers, in which corrections have to be made, should be called for by the Sub-Divisional Officers, corrected under their initials and returned.

(6) On the last day of Chingom each year, Divisional Officers should send certificates to the Chief Engineer that all the standard measurement books in their divisions have been inspected by them, that the entries therein have not been tampered with and

that all corrections due to additions or alterations in the buildings have been made in the books and that the latter are reliable and up to date records.

(7) When a payment has to be based on standard measurements, the gazetted officer or subordinate preparing the bill for payment should certify in the ordinary measurement book and the bill that the whole of the work (or work since previous running bill, as the case may be) as per standard measurements in a book, the number of which should be quoted, has been done and that it has not previously been billed for in any shape.

(8) Separate measurement books should be set apart for noting the details of such bills so as to facilitate the review of payments based on standard measurements.

(9) All bills so paid should be specially checked in the division office with reference to standard measurements on record in that office.

(iv) *Review of measurements.*

**272.** Sub-Divisional Officers should be required to submit the measurement books in use to the division office from time to time, so that at least once a year the entries recorded in each book may be subjected to a percentage check by the Divisional Accountant under the supervision of the Divisional Officer. The following are the detailed rules on this subject :—

(a) The review conducted under these rules will be in addition to that conducted by the Divisional Accountant on all final bills on running accounts and first and final bills which are received in the division office for pre-audit, see paragraph 261.

(b) A register should be maintained in the prescribed form in the sub-division and division office for noting the progress of the receipt, review and return of measurement books. Twenty-five per cent at least of the entries in the measurement books should be reviewed each year. The arithmetical accuracy of the calculation in 50 per cent of the entries selected for review should also be checked by Divisional Accountant. He need not, however, personally check the arithmetical accuracy of calculations when bills come up for pre-audit (*vide* paragraph 474.)

(c) The percentage check referred to above of the entries made in every measurement book in use in the division in a month should be made within the succeeding four months. For this purpose, each Section Officer and Sub-Divisional Officer should make a note of the numbers and pages of the measurement books in which fresh entries are made by them every month and report these particulars direct to the Executive Engineer within the

first week of the succeeding month. From these monthly reports of section officers and sub-divisional officers, the books that should be reviewed should be regularly entered in the register.

(d) There should be an even flow of books sent for review so that the work may not be rushed in a few months of the year.

(e) The books for monthly review should be received in and returned from the division office on dates to be fixed by the Executive Engineer of each division.

(f) The review should be conducted generally with reference to the rules in this section and paragraph 462 of the Public Works Department Code. It should also be seen that measurement books do not contain any measurements relating to labour engaged through contractors (vide paragraph 267).

(g) The payments based on the entries reviewed should be traced into the various accounts and verified. Similarly, supplies or issues of materials should be traced into the materials at site accounts, ledger, etc., and verified.

(h) Every page reviewed should be initialled and dated by the Divisional Accountant with the remark 'reviewed' and a corresponding entry made in the prescribed progress register. The register should also be submitted to the Executive Engineer monthly and his initials taken.

(v) *Check measurement of Works.*

**273.** (1) (a) Sub Divisional Officers should necessarily check measure before payment and in proper time in the following cases :—

- (i) all final bills on running accounts.
- (ii) all first and final bills over Rs. 200.
- (iii) works (included in all kinds of bills over Rs. 25) which will not be susceptible of check measurement after a certain stage, for example— works in channel, river or tank beds, foundations which will be covered up etc.

(b) As regards other bills not pertaining to works of the kind mentioned in item (iii) in the above sub clause viz. intermediate bills on running accounts and first and final bills over Rs. 25 and up to Rs. 200, Sub-Divisional Officers should check measure a large proportion of them. If, in such cases, it is not possible for the Sub-Divisional Officer to check-measure before payment owing to pressure of work etc., then the reasons for not having done the check-measurement before payment should be

recorded by him in the remarks column of the measurement books concerned and the check-measurement should be done by him at the earliest opportunity after payment has been made.

NOTE.—Clearance of jungle or vegetation which costs more than Rs. 100 should be inspected by the Sub Divisional Officer after clearance and before payment.

(2) In addition to check measurement by the Sub-Divisional Officers, it is an important duty of Executive Engineers that they should during their inspections frequently check-measure works which are in progress and that they should maintain a register of such check-measurements. The number of check-measurements by Executive Engineers should be at least 50 per annum (vide paragraph 464, Note 1 of the Public Works Department Code.)

(3) The fact of check measurement by the Sub-Divisional Officer or the Executive Engineer should invariably be noted in the measurement book at the time of check-measurement and the items check-measured should be indicated by the initials of the checking officer which should be placed on the left side of the column 'particulars' in line with item check-measured.

(4) The object of check-measurement is to detect errors in measurement and to prevent fraudulent entries. Check-measurement should therefore be conducted with discretion and method, those items being selected which appear obviously incorrect or which would be most easily susceptible of fraud or which would most seriously affect the total amount of the bill, if inaccurate.

(5) The entry 'measured in my presence' by a Sub-Divisional Officer cannot be accepted as check-measurement. When measurements are taken jointly by officers or subordinates, the measurements should always be recorded and signed by the senior.

(6) In the case of works such as breach-closing executed by the ryots of a place, estimates may be prepared and sanctioned after taking measurement of the work done and after verifying the same with the claims of the ryots for each item of work. There is, therefore, no necessity to measure or check-measure the work further.

(7) The Chief Engineer should make it a point to see that these rules are duly observed.

## B. BILLS AND VOUCHERS.

### I. *Forms of Bills and Vouchers.*

274. The authorised forms of bills and vouchers are the following :

- (a) First and final bill, Form No. 23
- (b) Running account bill—A, Form No. 24
- (c) do. —B, Form No. 25

- (d) Lump sum contract running account  
bill Form No. 26
- (e) Lump sum contract Final  
bill Form No. 27
- (f) Hand Receipt                      Form No. 28

The use of these forms is explained in the following paragraphs and a few explanatory foot notes are printed on the forms.

**275.** First and final bill form No. 23. This form should be used for making payments both to petty contractors or to piece workers and to suppliers when a single payment is made for a job or contract, *i. e.*, on its completion or on termination of the contract.

Running account bill, A, form No. 24. This form is intended for contractors for work only. It should be used in all cases in which secured advances are to be made or are already outstanding in respect of the same work against the contractor. When this form is used, it should also be utilised for making on account payments, if any, in respect of the work.

Running account bill, B Form No. 25. This form is used both for contractors for work and for suppliers. It is intended to be used for contractors for work when only on account payments are made. It is not to be used if a secured advance is to be made or if such an advance in respect of the work is outstanding against the contractor.

Form No. 26. is intended for intermediate payments on lump sum contracts which may be made to the contractor in accordance with his contract. Only details of additions and alterations should be given in the bill. Otherwise, the certificate prescribed in rule 2 of the Form will suffice.

Form No. 27 is intended for final payments on lump sum contracts to a contractor. The details of additions and alterations alone should be given in the bill. Otherwise, the certificates prescribed in rule 2 of the form will suffice. As additional precaution, the contractor should be required to add to his acknowledgment a statement in his own handwriting that he has received payment in full settlement of all demands.

Hand receipt form No. 28. This is a simple form of voucher intended to be used for all miscellaneous payments and advances for which none of the special forms Nos. 23 to 27 are suitable.

NOTE. 1. Final payments must invariably be made in forms printed on yellow paper which should not be used for intermediate payments.

the bill is on a running account, it should be compared with the previous bill. The memorandum of payments should then be made on account of the work or supply or on other accounts, being shown therein. If the Sub-Divisional Officer is empowered to pay the bill, he should then record a formal pay order specifying both in words and figures, only the net amount payable, though the payee should be required to acknowledge in his acquittance the gross amount payable inclusive of the recoveries made from the bill.

(i) If the contract is for the completed items of work and under the provisions of paragraph 302, the contractor is required to obtain materials of any description from Government, it should be seen that this condition is complied with and that the necessary recoveries of the cost of the materials supplied to him, are made in accordance with paragraph 307. In such a case, it is not permissible for the contractor to obtain the materials otherwise, unless, in a case of emergency, the supply has been entrusted by the Divisional Officer, for recorded reasons, to the contractor himself at suitable rates.

(ii) Before signing a first and final bill, or the first bill on a running account, the Sub-Divisional Officer should see that the relevant measurement entries were marked as pertaining to such bills, by the person taking the measurements (vide paragraph 269 (d) )

(iii) Sub-Divisional Officers should observe carefully the rules in paragraph 464, Note 1, of the P. W. Department Code, regarding the check-measurement of works in the case of first and final bills and running account bills in excess of Rs. 200.

(iv) Work done in Karkatakam shall be measured and paid for in the same way as work done in any other month, i. e., it should ordinarily be not paid for till Chingom. Work completed in the early part of Karkatakam may, however, be measured and paid for before the end of the month, if that would be the normal course in other months.

**280.** (a) If the Sub-Divisional Officer is not empowered to make the payment, the bill should be submitted (with the measurement book) to the division office when the payment will be authorised by the Divisional Officer after the necessary scrutiny. See also paragraph 261.

(b) In the case of materials received from firms in India by Sub Divisional Officer, on orders placed by the Executive Engineer, the following procedure should be observed :

A register in form No. 7 should be maintained in the Executive Engineer's Office to watch the disposal, from start to finish,

of all indents for stores placed by him on firms in India. A sufficient number of pages of this register should be allotted for the orders placed on account of each sub-division, all such orders being noted as they are issued in column 1 to 3 of the register.

The firms should be required to send in their bills along with the consignments direct to the officer supplied. The latter should make the necessary entries in a measurement book as soon as the stores are received and should then pass on the measurement book and the bill to the Executive Engineer for pre-audit giving a reference to the measurement book in the bill and vice versa. The Executive Engineer should check the bill against the original indent and the agreed quotations, if any, and also with the entries in the measurement book, have the necessary entries made in the register prescribed for the purpose, pass the bill scoring out the entries in the measurement book and return the bill with the measurement book to the Sub-Divisional Officer. The Sub-Divisional Officer should then pay the bill and note the fact in the measurement book.

**281.** From the measurement book all quantities should be clearly traceable into the documents on which payments are made. When a bill is prepared for the work or supplies measured, a remark to the effect 'bill submitted to the Sub Divisional Officer/Executive Engineer on... ..' should be endorsed on the abstract of measurements. The officer who signs the pay order should immediately on signing it cross out every page containing the detailed measurements of the work or supplies paid for by a diagonal red ink line. The officer who actually disburses the amount should enter the number and date of the voucher of payment with the remarks 'paid on..... by voucher No... ..' on the abstract of measurements.

(1) The document on which payment is made should invariably show, in the space provided for the purpose, the number and page of the measurement book in which the detailed measurements are recorded and the date on which the measurement was made.

**282.** Payments should not be made for bricks at a supplier's private kiln until they are handed over to the charge of the P. W. Department Officers.

**283.** To ensure the proper performance of the duties imposed on the Divisional Accountant under paragraph 473, he should have no hand either in preparing the bills of contractors or suppliers or in making cash payments to the latter, as such duties will impair his usefulness as examiner of claims and payments.



**284.** Contractors who are able to prepare their own bills should be supplied with forms 23 to 28 and loose measurement sheets for recording measurements, for their information, in support of the quantities entered in the bills. The P. W. D. officers and subordinates should, however, record measurements independently wherever necessary in their measurement books, vide paragraphs 268 and 269. The contractors' bills, when presented, should be checked by the subordinate in charge of the work with the measurements recorded by him in his measurement books and check measured by the Sub Divisional Officer before payments are made. See paragraph 464 Note (i) of the P. W. Department Code.

**285.** (a) Payments for work done or supplies made on a running account on bill forms 24 to 26 should ordinarily be made monthly. Both the 'quantities' and 'amount' of each distinct item of work or supply should be shown separately in the bill except (i) in the case of completed items of sub works the full details of which were included in the previous bill and (ii) in the case of the incomplete items or sub works as remain unaffected since previous bill.

In respect of items above it is sufficient if the amounts paid on earlier bills are shown in the subsequent bills, reference being given therein to the item numbers of the previous intermediate bills and the pages of the measurement book, in which full details were recorded. Full details (names, quantities, rates and amounts) should, however, be shown in the final bill for all sub works and items.

(b) Such payments should be treated as payments on account, subject to adjustment in the final bill which should be drawn, in the appropriate form, but printed on yellow paper, when the work or supply is completed or the running account is to be closed for other reasons. When a final payment is made on a running account, the payee, if he is able to write should add in his own hand-writing that the payment is 'in full settlement of all demands'. If the payee is illiterate, or is unable to write beyond signing his name, these words should be filled in by the officer making the payment.

The addition of the words 'in full settlement of all demands' does not preclude the disbursing officer from entertaining a further bona fide claim which may have been omitted from the final bill by mistake or through inadvertence.

NOTE.—A form printed on yellow paper is never to be used except for final payments.

(c) A separate running account is maintained in respect of each contract. Transactions relating to two or more separate working estimates should not be brought on to the same running account; they should, therefore, not be covered by a single contract. Transactions relating to two or more separate parts of the same working estimates, for which separate works abstracts are prepared under paragraph 323 should also appear in separate running accounts..

. 286. When secured advances are allowed by the Divisional Officer under sub para to paragraph 288 to a contractor whose contract is for finished work, it should be seen that an indenture in suitable form should be signed by the contractor and a detailed account of the advances must be kept in Part II of running account bill B. There should be separate entries, in respect of each class of materials, of the quantities brought to site by the contractor and the amounts advanced under the orders of the Divisional Officer. These advances must be recovered by deduction from the contractor's bills for work done as the materials are used in construction and the items of work in which they are used are billed for on the basis of actual measurements. Parts I and II of the bill should be compared to see that this order is being complied with. As recoveries are made, the outstanding amounts of the items concerned in part II should be reduced by making deduction entries in the column 'deduct quantity utilised' in work measured since previous bill' equivalent to the quantities of the materials used by the contractor on items of work shown as executed in part I of the bill.

NOTE. No record should be kept in measurement books of the quantities of the materials but certificate 3 printed on the bill should be signed by the Sub Divisional or Divisional Officer in terms of paragraph 288.

#### (C) *Aid to Contractors.*

287. It is necessary sometimes in the interest of work, to engage labourers or contractors or to incur other liabilities on behalf of the contractor concerned, with a view to complete work which he has neglected or failed to complete. In such a case, it is permissible to spend Government funds on behalf of the contractor in accordance with the terms of his agreement. Otherwise, no advance or recoverable payment should be made to or on behalf of a contractor, nor should financial aid be given to him in any form except in accordance with the paragraph below.

#### (D) *Advances to Contractors.*

288. Advances to contractors are as a rule prohibited and every endeavour should be made to maintain a system under which no payments are made except for work actually done. Exceptions are, however, permitted in the following cases :—

Cases in which a contractor whose contract is for finished work, requires an advance on the security of materials brought to site. Divisional Officers may, in such cases, make advances up to an amount not exceeding 75 per cent. of the current value of the materials (as assessed by themselves according to their character), provided that they are of an imperishable nature and that a formal agreement is drawn up with the contractor under which Government secures a lien on the material and is safe-guarded against losses due to the contractor postponing the execution of the work or to the shortage or misuse of the materials and against the expense entailed for their proper watch and safe custody. Payment of such advances should be made only on the certificate of an officer not below the rank of Sub Divisional Officer that the quantities of materials upon which the advances are made have actually been brought to site, that the contractor has not previously received any advance on that security and that the materials are all required by the contractor for use on items of work for which rates for finished work have been agreed upon. The officer granting such a certificate will be held personally responsible for any over-payment which may occur in consequence ; recoveries of advances so made should not be postponed until the whole of the work entrusted to the contractor is completed. They should be made from his bills for work done as the materials are used, the necessary deductions being made whenever the items of work in which they are used are billed for.

Divisional Officers are responsible that—

(i) When secured advances have been made for materials, recoveries are made regularly from the very first payment made for those items of actual work in which such materials have been used.

(ii) No secured advances are made for any materials, unless they are to be used within three months at the most.

(iii) Materials are actually measured in detail before making secured advances on them and their value is based on the actual rates for the purpose of determining the percentage at which secured advances on materials should be made.

NOTE.—Imperishable materials include bricks, rolled steel, joints etc., while articles such as lime, sand, kankar etc. are perishable.

#### IV. PAYMENT TO WORK-CHARGED ESTABLISHMENT.

##### (a) *Conditions of Employment.*

289. Rules for the entertainment of work-charged establishment are laid down in paragraphs 122 to 132, Chapter I of the Public Works Department Code.

---

(b) *Pay bills.*

**290.** Wages of members of the work-charged establishment should be drawn and paid on form No. 29 'Pay bill of work charged establishment' which is a combined pay bill and acquittance roll form. A consolidated bill in the form should be prepared monthly either for the whole sub division or one or more sections of it, as may be convenient, but the names and claims of the entire establishment concerned including absentees, should be shown in each bill. Names should be grouped in the bill by works on which the men are employed, sanction to the entertainment of the establishment should be quoted in each case and the Sub Divisional Officer should certify in the space provided for the purpose that the men were on duty during the periods shown against their names, each man being employed on the work and on the duties for which his appointment was sanctioned.

(1) Deduction on account of fines etc., should be shown by special entries against the names concerned.

(2) If the acknowledgment of an individual cannot conveniently be obtained on the bill itself, it may be obtained separately on a hand receipt form No. 28 which should then be attached to the bill as a sub voucher.

**291.** Pay bills may be signed at any time on the last working day of the calendar month in which the wages are earned, though they are not due for payment before the first working day of the following month. When, however, the services of an individual are dispensed with, it is permissible and advisable to settle up his account at once.

(c) *Unpaid wages*

**292.** Wages remaining unpaid on a passed bill on the dates fixed for the closing of the accounts of the month, may be paid subsequently when claimed, the procedure prescribed below being observed :

(i) Items remaining unpaid on the monthly bill should be entered in a simple register, full particulars of the charge including reference to the bill, being noted in the register.

(ii) Subsequent payments should be made on hand receipts, form 28, reference to the bill in which the charge was originally included and to the particular item thereof, being quoted in each case.

(iii) When making payments of arrears, suitable notes of payment should be recorded against the original entries in the register.

(d) *Travelling Expenses.*

**293.** No bills need be prepared in support of claims for travelling expenses. Payments should be made on hand receipts, form 28, which should set forth all the necessary particulars of the journey performed and of the expenses claimed and should be countersigned by the Divisional Officer before payment.

(e) *Classification of Charge.*

**294.** Every payment made to a member of the work-charged establishment whether on account of his wages, or in recoupment of actual travelling expenses, should be charged to the work on which he is employed.

**295.** The cost of work-charged establishment must be shown as separate sub head of the estimate.

## C. MATERIALS.

I. *General.*

**296.** Issue of materials to works whether from stock or by purchase, transfer or manufacture, are divided into two classes.—

## (i) Issues to contractors.

Issue of materials to contractors with whom agreements in respect of completed items of work i. e. both for labour and material have been entered into.

## (ii) Issues direct to works.

Issues of materials when work is done departmentally or by contractors whose agreements are for labour only.

## II. ACCOUNT OF MATERIALS AT SITE.

i. *Major Works.*

**297.** In the case of major works in which transactions relating to the materials at site are not heavy, an account in P. W. A. form No. 34 should be maintained of all departmental materials brought on to the site of a work from any of the sources mentioned in the preceding paragraph, showing the sources and quantities of all receipts and of their issues to the work as the transactions occur. This account should be kept both by quantities and values in the case of works whose accounts are kept by sub heads and only by quantities in other cases.

In the case of big schemes, such as water supply and drainage works and other major works in which the transactions relating to materials at site are likely to be heavy, the following procedure should be observed. An annual register in suitable form should be maintained in the division and sub division offices and section offices giving a continuous record of the receipts, issues and balances of all materials for a particular work for all the months of a year and a monthly return in P. W. A. form No. 35 in duplicate should

be prepared by the section officer showing only those items of materials in which there are receipts and issues in a month and sent to the sub division office. One copy of the return will be retained in the sub division for posting the annual register maintained therein and the other copy sent to the division office for similar action. In the case of big works to which more than one section officer is attached, the section statements will be consolidated in the sub division and the consolidated return sent to the division office, so that the annual register may be posted up-to-date.

ii. *Minor Works and Repairs.*

A numerical account of materials at site of works should be maintained by the Section Officer and the Sub Divisional Officer in charge of the work in the form of annual register in P. W. A. form No. 36 giving a continuous record of the receipts, issues and balances of all materials for the work for all the months of a year. A monthly return in suitable form showing only those items of materials in which there are receipts and issues on a work in a month, should be submitted by each Section Officer to the Sub Divisional Officer for scrutiny and necessary action. At the end of each year or on the completion of a work or in the event of the charge of the work passing from one subordinate to another, the monthly return should however exhibit the closing balances of all materials at the site of the work. Each Sub Divisional Officer should forward to the Executive Engineer monthly a certificate to the effect that he has obtained from his section officers the accounts of materials at site of all minor works and repairs and scrutinised them, vide para 468 (e) of this Code.

The forms mentioned under the heads (i) and (ii) above provide also for the record of the estimated quantities in all cases and the value of materials in the case of major works only, so that, in the case of works executed departmentally and also in cases where any or all the items of contract are for labour, both the acquisition and the actual use of materials can be controlled with reference to the estimated requirements. In the case of works executed by contract however, the record of estimated requirements of material applies only to the materials, the supply of which is retained in the hands of Government. It is important that the estimated requirements should be duly corrected whenever a revision of the original estimate renders it necessary and a note should be recorded at the foot of the account that this has been done.

NOTE.—Materials belonging to a contractor should never be mixed up with departmental materials. Form No. 34 is intended to account for departmental materials alone.

**298.** All departmental materials brought on to the site of a work for use on that work from any of the following sources, should be

entered as receipts in the 'materials at site accounts' immediately on their receipt giving a brief reference to the measurement book or in the case of receipts from stock to the invoice in form No. 6 in cases covered by the last sentence of paragraph 165.

1. Suppliers
2. Stock or manufacture
3. Other works and
4. Other divisions and departments.

NOTE.—Materials already brought on to the site of work and accounted for as receipts in the site accounts, should be shown as minus receipts in the same when they are transferred to stock or to another work etc.

(1) It is important that as far as possible, materials should be obtained only when actually required and to the extent of actual requirements (vide also note under paragraph 479, Note 2 of the Department Code.)

(2) All petty items, the aggregate of which comes under Rs. 100 may be lumped together under a single head 'petty items' in the materials at site accounts only the value being shown.

**299.** When the materials are obtained by purchase, it is important that full details of the articles received should at once be entered in a measurement book, P. W. A. Form No. 22 in the manner prescribed in paragraph 269 C (see also paragraphs 163 and 164)

**300.** In all cases, materials issued direct to a work should, as soon as received, be brought into account as indicated below :—

Source of receipt of materials,	Head of account to be credited.	Value to be credited.	Mode of effecting adjustment of cost.
1. Stock including manufacture	Stock.	At issue rates plus storage charges.	Through stock accounts at the end of the month.
2. Transfer from another work	Work concerned,	At a valuation under paragraph 312 (d).	By a special transfer entry in form No. 49, prepared as soon as the materials are received.
3. Transfer from another division or department	Purchases	At rates charged by the division or department concerned.	Do.
4. Supplies.	Do.	At the rates payable to the suppliers under their contracts.	By a special transfer entry in form No. 49, prepared as soon as the materials are received.

The full value credited to the head concerned should be debited to the work (paragraph 311) and also entered in the 'materials at site' accounts in cases in which the works accounts are maintained by sub heads.

**301.** The cost of materials brought to the site of a work is debited to the suspense head 'materials at site' in the works accounts or is treated as a final charge according as it is a work for which detailed accounts by sub heads are kept or not.

## II. ISSUE TO CONTRACTORS.

### (a) *General conditions.*

**302.** (a) The issue of materials to contractors who have contracted for completed items of work is generally permissible only in the following circumstances.

(i) When it is decided to retain in the hands of Government the supply to the contractor of imported materials :

(ii) When in the interest of work, or with the object of utilising existing stocks of materials, it is desirable to retain in the hands of Government the supply of certain other materials as well, and a condition to this effect has been inserted in the contract.

(b) In both cases, the contract should specify (i) the materials to be supplied by the Government for use on the work, (ii) the place or places of delivery and (iii) the rates including the storage rates when the materials have to be issued from stock to be charged to the contractor for each description of material ; and the contractor should be held responsible for obtaining from Government all such materials required for the work and for making payment therefor, by deductions from his bills, at rates specified, regardless of fluctuations in the market rates or in the stock rates of the division. In cases where the value of materials (purchased by Government or drawn from Government stock) to a contractor or piece worker is not covered by the work done by him or by payment in cash, it is important that Government should be secured from any possible loss resulting from any failure on the part of the contractor or piece worker. In such cases sufficient security should be obtained from him before the materials are so issued.

(1) The rates to be charged to the contractors for materials to be supplied should be definitely specified, vague quotations e. g., 'at stock rates' being avoided ; and if intending contractors had been told that the materials would be supplied at a certain rate and asked to tender on that assumption, then that rate should be adhered to in the contract.

(2) Similarly, the rates to be allowed to the contractor for items of work, should be definitely stated.



(c) No carriage or incidental charges are borne by Government for moving the materials beyond the place where the contractor has agreed to take delivery thereof.

**303.** (a) As a general rule, no other materials should be supplied to such contractors for use on works, but this restriction may be waived by the Sub Divisional Officer in respect of petty issues (at full issue rates) of materials from existing stocks, not exceeding Rs. 50 in any month for any one contract.

(b) if at any time subsequent to the execution of a contract on a through rate basis, the contractor desires the issue to him, for use on a work, of materials which exist in Government stocks, but the supply whereof by Government was not provided for in the contract, the materials should not be issued except with the express authority of the Divisional Officer who should specify in each case the rate to be charged for the materials inclusive of delivery at the place where they are stored. The rate should be the market rate at the time of the supply or the issue rate, whichever may be greater and should include the storage charges and no carriage or incidental charges should be borne by Government in connection with the supply.

(1) The intention of this rule is to prohibit the supply of materials to contractors with the object of giving them financial aid, the grant of which is governed by para 287 of this Code.

(c) Issues of stock materials to contractors for bona fide use on works are exempt from the usual charge of 20 per cent on account of supervision which is made when stock materials are sold to the public, vide para 506 of the Public Works Department Code.

*(b) Accounts Procedure.*

**304.** All materials required for issue to a contractor under any of the provisions of paragraphs 302 and 303 should be made over to him, as soon after their receipt as possible but not far in advance of their requirement for actual use on the work and an unstamped, but dated acknowledgment, detailing full particulars of the materials including the rates and values chargeable to him should at once be taken from the contractor. The issue of the materials should simultaneously be entered in the issue account form No. 34.

**305.** When the materials are obtained by purchase, full details of the articles should at once be entered in a measurement book, form No. 22, in the manner prescribed in para 269, (see also paras 163 and 164.)

**306.** On the authority of the contractor's acknowledgment, the cost chargeable to him under paragraph 302 or 303 as the case may be, should be debited at once to his personal account by

charge to suspense head 'contractors' other transactions' in the works accounts and credited to the suspense head 'materials at site' by being posted in the issue columns or where this is not maintained as in the case of minor estimates as a minus debit to the final head (vide para 311.) If the amount charged to the contractor's account differs from that originally debited or debit to the suspense head 'materials at site' for the materials, then, only the latter amount should be credited to the head 'materials at site' in the works and site accounts, the difference being treated as additional final outlay under a separate sub head 'additional charges for materials issued to contractors' plus or minus according as the amount charged to the contractor is less or more than the cost originally debited to the 'materials at site'. This is necessary in order to be able to balance the sub head 'materials at site'. (See para 326.)

(1) The object of this rule is to ensure that the full amount chargeable to the contractor is debited to his accounts as soon as the materials are delivered, so that (i) he may not receive payment at full rates, for the completed items of work prior to the value of the Government materials used by him therein being charged to his account, or (2) his final bill for the work done may not be settled before the full value of materials recoverable from him has been debited to his account.

(2) It is for this purpose that the debit to the contractor's account is required to be made in the above paragraph as soon as the materials are delivered to him, by credit to the suspense head 'materials at site' in the works account or the final head in the case of minor estimates, although the actual cost of the materials may not have been paid or adjusted by Government at that time, (see para 300.)

(3) Issues from stock (including manufacture) should be accounted for through the stock returns. For other issues, a special transfer entry should be prepared by the Sub Divisional Officer in form No. 49 as soon as each transaction takes place.

**307.** The recovery from a contractor on account of the cost of materials issued to him for use on a work should ordinarily be made by deduction from the first bill authorising a secured advance payment or an on-account payment to him for the work. Should, however, a lump sum recovery be undesirable in any case, the Divisional Officer may permit, for recorded reasons, the recovery to be effected gradually as the materials issued to the contractor are actually used in construction and the items of work on which they are used are paid for whether by an advance payment or by an on-account payment.

**308.** As the issue of materials to contractors under the foregoing rules is permissible solely for the bonafide requirements of Government works, Sub Divisional Officers should make such arrangements as may be deemed suitable for limiting the total issues to a contractor in connection with a particular work to the reasonable needs of that work. This precaution is particularly necessary when the rates at which materials are issued under paragraph 302 are lower than the prevailing market rates, or the latter are expected to rise appreciably. It can be watched that the aggregate of the quantities of any or all the materials issued to a contractor from time to time for use on a work is within the estimated requirements of the contract by means of the materials at site account form if the top portion of the form is filled up, (vide para 297.)

(c) *Return of surplus materials.*

**309.** Government do not undertake to take over from contractors, whether before or after the completion or determination of contracts, surplus materials which were originally procured by the contractors for themselves or were issued to them and charged to their accounts under paragraph 304. Such materials are the property of the contractors and can be taken over by Government, if required, for use on other works in progress, only by special arrangements and at the prevailing market rates. If the materials were originally supplied by Government, the price allowed to the contractor on re-acquisition should not exceed the amount charged to the contractor excluding the storage charges if any.

(1) Contractors are, however, not at liberty to remove from site of works without the written permission of the Divisional Officer materials which have been issued to them for use on a work, and a stipulation to this effect should ordinarily be entered in their agreements.

(d) *Tools and plant lent for use.*

**310** The rules in paragraphs 297 to 309 do not apply to tools and plant. Articles borne on the tools and plant account of the division may, in accordance with the rules in paragraph 514, Chapter IV of the P. W. Department Code be lent temporarily to contractors on hire for use on Government works, (see also paragraphs 204 and 207.)

ISSUE DIRECT TO WORKS.

(a) *Detailed Accounts.*

**311.** (a) In the case of minor estimates, the cost of materials at site is charged finally to the work there being no sub head 'materials

at site' in the works account. No further adjustment is necessary when materials are actually used up on the work. The detailed control over unused materials can be exercised by means of the numerical account in the 'materials at site' accounts in P. W. A. form No. 36, vide paragraph 297.

(b) In the case of major estimates which have the suspense head 'materials at site' in the works account, the value of materials as they are issued, should be posted in P. W. A. form No. 34 grouped according to the sub heads of issue. At the end of each month, the total of the issues under each sub head should be charged under the respective sub head of the works abstract, by credit to the suspense head 'materials at site.'

NOTE: Materials already brought on to the site of work and accounted for as receipts in the site accounts, should be shown as minus receipts in the same when they are transferred to stock or to another work etc. .

(b) *Disposal of surplus department materials.*

**312.** (a) Materials issued to works in excess of requirements may be transferred to other works if they are required or to stock provided they are serviceable and certain to be required.

(b) All surplus materials at site of work transferred to works in progress or brought to stock account in accordance with para 509 of the P. W. Department Code should have their value credited to the work to which they were originally issued and debited to the work to which they are transferred or to stock account, as the case may be.

(c) A list of surplus materials not disposed of under clauses (a) and (b) above should be maintained in the sub division offices as a supplement to the half yearly stock returns, unless the Chief Engineer considers this unnecessary.

(d) Materials returned to store or transferred to other works should be priced within current market rates, any resultant loss being borne by the work to which they were originally issued and the disposal of materials being shown in the materials at site accounts also.

(e) The loss by the disposal of surplus materials at less than the book value (vide paragraphs 604 (i) and 624 (ii) of the P. W. Department Code) should be debited to the work for which the stores were originally purchased.

NOTE: These rules do not apply to surplus materials which were originally procured by contractors for themselves or were issued to them and charged off to their accounts under paragraph 304 (see paragraph 309)

(c) *Verification of unused balances.*

**313.** Unused balances of materials charged direct to works should be verified at least once a year in the manner prescribed in

paragraphs 495 and 496 of the P. W. Department Code. Whenever this verification is made, a report of verification of the materials should be prepared by the Sub Divisional Officer in P. W. A form No. 34 and submitted to the division office. The following instructions should be observed in preparing the report :

(a) The closing balance (total of receipts and balances minus the total issues up to end of the month) should be entered against line B in the form and the differences, if any, between this balance and the actual balance as verified against line D.

(b) The quantities of principal items of materials probably used in work should be noted against line E. These should be calculated on the basis of the 'progress' of work done on each sub head, such authorised formulae being adopted as may be approved by the Chief Engineer.

(c) Deducting these quantities from the total quantities of the materials issued to the work as per line A of the form, the paper balance of the unused materials should next be arrived at and set forth against line F.

(d) The report should then be completed by recording against line G remarks explaining action taken (i) to adjust the differences as per lines D and F; (ii) if the work has been completed, to dispose of the surplus balances as per line G and by signing the printed certificates applicable to the case and scoring out the others.

(e) The differences as per line F may be due to (1) adoption of the method of determining the actual consumption, (2) unreasonable wastage or (3) shortage in some other form. The discrepancies as per line D may be due to differences between the actual receipts or issues with those entered in the accounts, or to errors in measurements or in posting entries or losses of materials due to carelessness or neglect or fraud on the part of the subordinates. These differences, should be carefully investigated and adjusted in accordance with paragraphs 347 to 350.

**314.** A similar verification of the unused balances of materials must invariably be made on the completion of a work, but on or before the completion of a work, when no more materials are required for use in construction, steps should first be taken to dispose of all surplus materials by transfer or sale, so that (1) the accounts of the work may promptly receive such credits as may be admissible under paragraph 312 and (2) the balance at debit of the suspense head 'Materials-at-site' representing the unused surplus materials may be reduced to a minimum.

On the completion of a work, the surplus materials at site should be disposed of without delay in accordance with paragraphs 509 to 511 of the Travancore P. W. Department Code.

**315.** If the Officer in direct charge of a work is transferred before the accounts of it are closed, the unused materials at site of the work should be verified by the relieving officer jointly with the relieved officer and the report prescribed in paragraph 313 should be prepared by the Sub Divisional Officer and submitted to the Division Office.

**316.** A report is required annually of the value of materials at site of all works the accounts of which were open on the last day of the official year. This report should be prepared in P. W. A. form No. 34 and submitted to the Division Office in the manner prescribed in paragraph 314 as on completion of work, but it is not necessary that the balances should be verified at the close of the year, if

(i) the work has been under construction for not more than three months,

(ii) the accounts of the work are expected to be closed within three months, or

(iii) the balances were verified at any time during the year.

**317.** Reports of verification of materials in form No. 34 prepared under paragraphs 313 to 316 should be dealt with in the Division Office in the manner described below :—

(a) A register showing the clearance of the suspense head 'materials at site' in the accounts of the work should be maintained in P. W. A. form No. 37. A separate folio of the register should be reserved for each work for which a 'materials at site' account is kept, and for facility of reference, the register should have an index.

(b) Each report of verification in form No. 34 should be entered in part I of P. W. A. form No. 37 as soon as received.

(c) The difference, if any, between the closing balance and the actual balance as verified—line D of form No. 34—should be recorded in part II of form No. 37 and the paper balance of unused materials—line F of form No. 34—in part III of form No. 37. Part IV of form No. 37 is intended to show how the materials remaining unused, *i. e.* the actual balance of materials on completion, as per line C of form No. 34 are proposed to be disposed of. Parts I, II, and III should be operated on the receipt of each intermediate report of verification as well as of the final report, but Part IV on the completion of the work only.

(d) Petty deficiencies and surpluses held to be due to the adoption of the method for determining the quantities used in construction, may be adjusted under the orders of the Divisional Officer by debit or credit to the sub heads concerned, action being taken separately, if necessary, to make suitable revision of the method in use.

(e) Shortages and losses for which any contractors are held responsible should be adjusted by prompt recovery either in cash or by debit to their personal ledger accounts. The recoveries should be credited to the work, a suitable entry being made in the works abstract also, to show the credit to the work. If they are recoverable from other persons the debit should be transferred to 'Miscellaneous Public Works Advances' by credit to the work by a transfer entry.

(f) Other actual losses which are irrecoverable, ordered to be written off by a competent authority, should be borne by the work itself and should remain charged thereto. They should be transferred to the sub head "contingencies" or to the other sub heads concerned or even to a sub head opened for the purpose, as the case may be, according to the statistical value of the recorded cost of final sub heads of work.

(g) Materials found in excess should be credited to the work, under the appropriate sub heads and shown as "Receipts" in the column "Materials at site" in the works accounts and also in the Materials at site accounts.

(h) The cost of surplus materials which cannot be sold or transferred elsewhere and losses on account of the sale or transfer of surplus stores at a reduced valuation should be adjusted in the works accounts by a charge to the sub heads concerned by credit to the sub head 'Materials at site'.

**NOTE** The adjustments in clauses (f), (g) and (h) in the works accounts are only between the sub heads therein and do not affect the total outlay on the work. No adjustments therein are therefore required in the case of minor estimates for which no sub heads are kept. It is sufficient if the correct verified balances are carried forward in the cases of (f) and (g) in the numerical site accounts for future purposes.

#### D. ADJUSTMENTS.

**318.** In addition to cash payments and issue of materials, there are other transactions relating to accounts of work, which are of the nature of adjustments, usually recorded in the transfer entry book of the Division Office. The details governing the transactions are given in chapter VII.

#### E. WORKS ABSTRACTS.

##### I. Introductory.

**319.** An account of all the transactions relating to a work during a month, whether in respect of cash, stock or other charges, should be prepared by the Sub Divisional Officer in one of the works abstracts forms. In the case of major estimates, a separate account should be maintained for each sub head estimated to cost

not less than Rs. 500 and in the absence of orders of the Divisional Officer to the contrary, the remaining sub heads should be lumped together. For such works and for those minor estimates for which the Chief Engineer may desire accounts to be kept by sub heads, the detailed form of works abstract A. P. W. A. form No. 31 should be used. For other minor estimates the simpler form of works abstract B. P. W. A. Form No. 32 should be used in which the account of the final outlay is not kept by sub heads.

The estimate, account and completion certificate of petty works are ordinarily prepared on a single form, petty works requisition and account P. W. A. form No. 30 and separate works abstracts are not necessary. But when the accounts of the work involve transactions which cannot be suitably recorded in Part IV of form No 30, the accounts should be kept on the simple form of works abstract, form No. 32.

(1) Percentage charges on account of establishment, tools and plant, and account and audit and pensionary charges levied on works expenditure, under rules 5 and 10 of Appendix II should not be shown in works abstracts and registers of works, though they are eventually included in the cost of works.

(2) The maintenance of works accounts by sub-heads in the following cases will be unnecessary.

(i) When a work or sub work is executed entirely by one contractor irrespective of the value of work done,

(ii) The Chief Engineer may dispense with the maintenance of accounts by sub heads for any work if he considers that the circumstances of the work render such accounts useless or impossible to maintain. In such cases, a copy of the orders, specifying the reasons should be forwarded to the Accountant General.

**320.** Ordinarily there should be one works abstract monthly for each working estimate, but if the estimate is for a large work which is divided into several sub-works, it will usually be found convenient to prepare a works abstract separately for each sub work.

## II. CLASSIFICATION AND RECORD OF FINAL CHARGES.

### (a) *Major Estimates.*

**321.** The division of a major estimate into sub heads for the purposes of accounts is guided usually by the classification sanctioned in the abstract of the estimates. See para 209 of the Departmental Code. In all cases, miscellaneous charges of a general nature which do not pertain to any sub head in particular, may be treated as separate sub heads, being grouped under one or more heads, *e. g.*



'works charged establishment' 'contingencies' etc. See paragraphs 117 and 221 of the Public Works Department Code.

(1) When the number of heads of an estimate is large, it will be convenient to assign a number to each sub head and to prefix this number to the name of the sub head, wherever it is used on vouchers, works abstracts, registers of works or other accounts.

**322.** After a major estimate has been sanctioned, it may be decided to make a change in the method originally contemplated for the execution of the work. In such a case, the original abstract should be recast in accordance with paragraph 209 of the Public Works Department Code. The details of cost and quantities already approved by competent authority should be rearranged and the revised abstract should be approved by the Divisional Officer and thereafter treated as the sanctioned abstract of the estimate for all account purposes.

**323.** If the number of sub heads in the working estimate for a work or sub work is large, it is permissible to break up the estimate into two or more parts and to treat each part as a sub work for the purposes of accounts ; but no part of an estimate can be separated from the rest, if any contract for the execution of the work connected with it covers also work connected with the other parts. It is advisable to adopt this course if one or more parts of work or sub work are completely executed long in advance of the others and no useful purpose will be served by keeping open the accounts of the completed parts.

**324. (a)** The account of each sub head in the works abstract should ordinarily exhibit

(i) 'amount' i. e. total charges finally classified under the sub head ;

(ii) 'progress' i. e. total quantities executed from time to time ; and

(iii) 'rate of cost' i. e. cost per unit on the basis of the recorded 'amount' and 'progress'

(b) In the case, however, of sub heads, which have been lumped together under paragraph 319 above, or sub heads representing items of work which cannot be expressed in quantities, no quantities are shown in the abstract of estimate and the record of 'progress' and 'rate of cost' in the accounts is not necessary, the entries in the amount column being sufficient

(c) In other cases, the 'progress' and 'rate of cost' should be recorded in the accounts both during the progress of construction and on completion of work, but the monthly record thereof under

any sub head may, during the progress of construction, be dispensed with in the following cases under the written orders of the Divisional Officer which should strictly show reasons :

(1) If the duration of construction under the sub head is not expected to be more than three months.

(2) If the quantities executed are not in the same units as specified in the estimate or they cannot be expressed even roughly except on or towards the completion of the work.

**325.** The charges classified under a final sub head should include all ordinary expenses incidental to construction. If any part of a work is pulled down and rebuilt to any serious extent, the extra charges for construction should ordinarily be debited to the sub head concerned unless they are recoverable from the contractor under the terms of his agreement. But, if the amount involved be so large as to affect sensibly the cost or rate of the sub head, it may be debited to the sub head 'contingencies' instead or with the sanction of competent authority, to a new sub head additional to the originally sanctioned sub heads of the estimate.

**326.** In the accounts of Major estimates, a final sub head entitled 'additional charges of materials issued to contractors' should be opened if the system of issue of materials to contractors has been adopted, and the rates charged to the contractors therefor under paragraphs 302 or 303 as the case may be, are either more or less than the actual cost to Government. This sub head should bear all losses on this account and receive credit for all profits as explained in paragraph 306. The carriage and incidental charges in connection with the materials issued to the contractors should also be debited to this head, if under paragraph 364 they are chargeable to the work.

**327.** If any receipts or recoveries are credited under the rules to the account of a major estimate, a special sub head should be opened in the works abstract for the reception of all such credits.

### (b) *Minor Estimates*

**328.** If the Chief Engineer requires that the accounts of a minor estimate should be kept by sub heads (*vide* paragraph 319) the rules in paragraphs 321 to 326 shall be followed. In the case of a minor estimate for buildings, bridges and other structures, if the transactions relating to the direct issue of materials are of sufficient importance and it is desirable, with the object of exercising control thereon, to record their cost separately in the accounts, the procedure prescribed in paragraph 311 in respect of major estimates, may be adopted and a column opened for the suspense head 'materials at site' in the works abstract. In all other

cases, the accounts of all final outlay on a minor estimate should be kept in a single column, headed 'final charges' in works abstract P. W. A. form No. 32.

### III. SUSPENSE ACCOUNTS.

#### (a) *General*

**329.** In addition to the head 'final charges' or the final sub heads in the case of major estimates, a few suspense accounts are opened in works abstracts to record transactions of a temporary character which are either not adjustable as final outlay in the accounts of the works concerned or the correct classification of which cannot be immediately determined. These accounts are :—

(i) Materials at site for the record of the receipt and issue of materials,

(ii) Contractors secured advances for the record of secured advances and their recoveries,

(iii) Contractors—other transactions for the record of all other debits or credits to contractors awaiting settlement, and

(iv) Labourers for the record of unpaid wages of labourers and of their subsequent payment.

#### (b) *Materials at site*

**330** The suspense account 'materials at site' has already been referred to in paragraphs 306 and 311. This sub head should be opened in the works abstracts of major estimates. It may also be opened in the case of minor estimates if the transactions are of sufficient importance *vide* paragraph 319.

**331.** Secured advances made to a contractor under para 288 should not be charged off as final outlay on the work or under any sub head of it. A suspense head 'contractors- secured advance' should be opened in the works abstract in forms 31 or 32 as the case may be for the record of secured advances and their subsequent adjustment.

#### (c) *"Contractors," & "Labourers," Accounts*

**332.** Advances made to contractors and suppliers under paragraph 335 of Public Works Department Code, whether on the security of materials or otherwise as well as all recoverable payments made under proper authority to labourers and others on behalf of contractors, should be treated as advances made on account of work concerned. They should not be charged to the general suspense head 'miscellaneous P. W. advances' but incorporated in the works abstract as suspense transactions. The head

'contractors—secured advances' is intended solely for advances made to contractors, on the security of materials brought to site, under sub para to paragraph 288 of this Code and the head Contractors—other transactions' should be used for all other transactions.

**333.** The head 'contractors—other transactions' is intended also for watching the ultimate payment of unpaid balances of contractors' accounts. Similarly the head 'labourers' is meant for the clearance of unpaid wages of labourers. If a running account bill or muster roll is only partly paid, the total amount due thereon as value of work done or supplies made should be brought to account in the works abstracts as final charges or expenditure on the sub heads concerned, and the amount remaining unpaid should be shown as a minus entry in the appropriate suspense column 'contractors—other transactions' or labourers.

**334.** The forms Nos. 31 and 32 works abstracts provide a column for each of the suspense accounts enumerated in paragraph 329. The use of the head 'materials at site' is explained in paragraph 311 and the foot notes printed on the forms of the works abstracts explain the mode of making both original and adjusting entries under the other suspense heads.

**335.** If any wages of labourers remain unpaid after the completion of the work, the accounts of the work may be kept open for a period of one month, which may be extended to three months at the discretion of the Divisional Officer. Thereafter the accounts of the work should be closed, the balance under the suspense head 'labourers' being left unadjusted. This amount should be shown in any completion report or statement that may be prepared under the rules in paragraph 354, Chapter II of the Public Works Department Code, by a special remark, as a liability against the work and it should be excluded from the total final expenditure on the work so as to arrive at the amount actually brought to account.

(1) If unpaid wages of labourers are claimed and paid subsequently to the closing of the accounts of a work, the payment should ordinarily be charged against a fresh estimate under the same head of service as the original work, a suitable note being recorded by the Divisional Officer against the closing entry relating to the original work in the register of works. Where, however, it may prove more convenient, the accounts of the work may be reopened at the discretion of the Divisional Officer.

**336.** The account of a contractor should be closed as soon as his contract is completed. If he delays to receive final payment for more than one month after the final bill has been passed, a note to this effect should be recorded on the bill, the account of the work as passed on the bill should be incorporated in the works abstract on the authority of the bill and the balance due to him should be removed from the accounts of the work by credit to the head 'Revenue Deposits' to be dealt thereafter under the rules relating thereto.

(1) If the final account of a contractor shows that he has already been overpaid or that the account closes with a balance due by him, the account should be settled by a recovery in cash or otherwise; but if an immediate recovery is not practicable, the balance should be removed by debit to the head 'Miscellaneous P. W. Advances.'

**337.** Disbursing officers are responsible for keeping a strict watch over the balance under the suspense accounts 'contractors' and 'Labourers' with a view to prompt adjustment by recovery, settlement of account or detailed measurement, as the case may be. For this purpose the statement headed 'detail of contractors' closing balances' and the suspense head 'labourers' in the works abstracts should be examined monthly. Subject to the provisions of paragraphs 335 and 336, these accounts should be cleared before the accounts of a work can be closed on completion.

#### IV. *Liabilities awaiting Incorporation.*

**338.** Liabilities are not incorporated in the accounts of works except in the following cases.

(a) Unpaid balances of partly paid running account bills or muster rolls are invariably incorporated, *vide* paragraph 333.

(b) The value of materials received from sources other than stock (including manufacture) whether for issue to contractors or for issue direct to works is at once brought into the account of works even though payments to suppliers and adjustments crediting the transfer accounts concerned, may not be made at once, *vide* paragraphs 300 and 306.

(c) Wholly unpaid muster rolls and bills of contractors and suppliers are sometimes taken to account, *vide* paragraphs 335 and 336.

Disbursing officers are, however, responsible for keeping a strict watch over all liabilities with a view to settle them promptly. Money indisputably payable should never be left unpaid. It is no economy to postpone inevitable payments, and it is very important to ascertain, liquidate and record the payment of all actual obligations at the earliest possible date, *vide* Article 88 of the Financial and Account Code.

**339.** If any liabilities of works are incurred on behalf of contractors under the provisions of paragraph 287, arrangements should be made for withholding sufficient balances from their bills or for making necessary recoveries from them in due course. On the analogy of the rule in paragraph 262, all records on the authority of which liabilities may be liquidated or incorporated in the accounts should invariably specify—

- (i) the full name of the work as entered in the estimate,
- (ii) the name of the sub head thereof, if any,
- (iii) the recoverable charges, if any, with the name of the contractor or other person from whom recoverable.

#### V. *Record of progress.*

**340.** Entries of 'progress' in the works abstracts (*vide* paragraph 324) should be supported by details in the statement provided for the purpose in the works abstract form. These details should be furnished by the Engineer or the subordinate in charge of the work or by any executive officer or subordinate detailed for the purpose, and should be based on entries already made in the measurement book. Their compilation from measurement books, vouchers or other records, by members of the office establishment should not be permitted. The following points should be specially borne in mind.—

(i) Only 'quantities' actually measured and paid for should be reported as 'progress.'

(ii) The progress reported should specify the quantities executed up to date, sets of earlier measurements covered or superseded by later ones being ignored.

(iii) The progress of an item of work should be so reported as to describe as approximately as possible, in terms of the unit adopted, the quantities of work executed up to the required standard.

NOTE. It is recognised that perfect accuracy cannot always be secured in making intermediate reports of progress. A fairly reliable record is all that is necessary but if the nature of the work makes it impossible or difficult to achieve this in practice, reports of progress may be dispensed with in cases covered by paragraph 324.

#### VI. *Preparation, Completion and disposal of works abstracts.*

**341.** The works abstract should be prepared in the sub division office in the first instance. It should be posted day by day from the cash book and the connected bills of contractors and suppliers, cash refunds being posted as minus entries. At the end of the month, stock and adjustment transactions should be added.

When the form of the works abstract contains the column materials at site, the charges debitable to the work on account of materials should be posted in the receipts column of the suspense head 'materials at site' from the cash book and connected bills day by day or from the transfer entry book and stock registers at the end of the month, as the case may be. When materials are issued to contractors, the cost should be credited then and there under the sub head 'materials at site issues' or under the final head in the case of minor estimates, by debit to the head 'contractors—other transactions' even though the debit to the work on account of materials may be made later on, vide paragraph 306. In the case of departmental works, the suspense head materials at site, may be cleared at the end of the month through the materials at site accounts by debiting the cost of materials to the respective sub heads for which they have been issued by credit to the suspense head materials at site.

In the detailed statement provided for the purpose, quantities of work executed should be posted from measurement books or other sources and the closing balances of contractors' accounts should be detailed so as to prove the correctness of the up-to-date totals under suspense head (i) contractors—secured advances and (ii) contractors—other transactions. The balance at the debit of the Suspense head 'materials at site' in the works abstract should be reconciled with that in the detailed account in P. W. A. Form No. 34. The closing balances arrived at under the suspense head 'labourers' in each case should be agreed with the connected record of unpaid wages and its correctness should be certified over the dated initials of the Sub Divisional Officer. The works abstracts should then be forwarded in original to the Division Office where the necessary completing entries will be made in respect of the direct charges and adjustment made by the Divisional Officer and the abstract checked and closed under the supervision of the Divisional Accountant, who should record a certificate in the following form.—

"This abstract has been checked by me. I have personally compared all the items in the 'details of contractors' closing balances with the contractors' ledger and found them correct."

(1) The posting of stock and adjustment transactions may, if preferred, be done entirely in the division office.

(2) Postings made in the sub division office should be in black ink and all postings and corrections made in the Division office in red ink.

(3) Office copies of works abstracts need not be kept, as the originals are returned by the division office after completion. Before the works abstracts are sent to the division office, the up-to-date totals should be entered forward in the return for the following month and these should be corrected, if necessary, on receipt back of the works abstracts from the division office.

**342.** When finally completed in all respects, all the works abstracts of a month should be examined by the Divisional Officer and any explanations necessary called for from the Sub Divisional Officer. The monthly examination of works abstracts is an important part of the duty of the Divisional Officer and must not be omitted. He must initial and date them in token of the performance of his duty.

#### F. REGISTER OF WORKS.

##### *I. Forms of registers of works & their preparation.*

**343.** (a) The permanent and collective record of the expenditure incurred in the division, during a year, on each work is the register of works. This record is maintained in the division office. The object of this register is to get an analysis of the cost of sub works and sub heads, the rate of cost of work, and to foresee as far as possible excesses over estimates.

(b) There are two forms of registers of works corresponding respectively to the forms of works abstracts. The detailed form No. 39 should be used for major estimates and the simple form No. 40 for minor estimates. In respect of petty works the expenditure may be recorded in the register of works for minor estimates.

**344.** The registers of works are posted monthly from works abstracts. A separate folio or set of folios of form No. 39 should be assigned to each major estimate, but entries relating to two minor estimates can be made in a single page of form No. 40. When separate works abstracts are prepared, under paragraphs 320 and 323 for the sub works or parts of a major estimate, the transactions relating to each works abstract should be posted separately and an abstract for the entire work should be prepared on a separate folio or set of folios for comparing the cost of the work and its sub works with the provision in the estimate.

The following instructions should receive special attention.

(a) The register of works is not a classified account of works ; for facility of reference it should be supplied with an index which should be sub-divided under the prescribed heads of account classification.



(b) The sanctioned amount of estimate should be entered in respect of each work. When supplementary estimates are sanctioned, the additional amounts sanctioned should be entered below the corresponding amounts of the original estimate and both totalled. But when a revised estimate is sanctioned, the register of the original estimate should be closed and the revised estimate should be entered on a fresh folio, prominently marked "revised estimate" in red ink, and a reference to the folio on which the original estimate is to be found should be entered thereon.

(c) In the case of works for which specific appropriations are sanctioned individually, vide paragraph 91, the amount of appropriation for the year should be noted in the register at the top of the page, any additions or deductions made during the year being noted in the same place.

(d) The blank vertical column in form No. 39 should be utilised for the final sub heads of the estimate and for as many of the suspense heads as may be operated upon, but the sub columns for 'quantity' and the horizontal columns for 'rate of cost' should be left blank in respect of sub heads for which there are no quantities in works abstracts vide paragraph 324.

(e) In form 40, final charges on works should be posted in the column 'total value of work done' and the single column 'suspense accounts' should embrace the transactions under all the suspense accounts.

## II. EXAMINATION BY DIVISIONAL OFFICER.

**345.** Before the date of submission of the monthly accounts to the Audit Office, the posting of the registers of works should be completed and the registers should then be laid before the Divisional Officer for review. The monthly account of each work on which there has been expenditure during the month should be initialled and dated by the Divisional Officer in the column set apart for the purpose, in token of his having examined the entries and found them correct. Actuals as well as probable excesses, whether in the total cost of a work or sub head or in the rate of cost of a sub head, should receive special attention and works slips in form No. 38 should be prepared and submitted to the Chief Engineer when necessary, vide paragraph 84, Chapter I of the P. W. Department Code.

(1) If the transactions of a division are very large, the Divisional Officer may allow an extra period of a few days for the completion of the registers of works, but the submission of the monthly accounts to audit and the completion of the works abstracts (paragraph 341) should not be delayed on this account.

(2) It should be seen, with special reference to works on which there have been only petty or no transactions during the previous two or three months, if there are circumstances justifying the retarded progress of expenditure. If any such works have been stopped or are known to be nearing completion, the delay in closing these accounts should be enquired into, see also paragraph 346. If the slow progress of expenditure is due to delays in measuring work done or in settling up bills the cause at work should receive attention.

(3) In the case of workshops, the Superintendent should see that the register of workshop jobs is posted up-to-date. He should also test check the entries in the case of at least 5 per cent. of the jobs under execution and record a certificate to that effect.

### III. *Closing the accounts on completion of work.*

(a) Settlement of liabilities and assets, and clearance of suspense accounts.

346. It is an object of great importance to close the accounts of works as soon as possible after the actual work of construction is completed, vide paragraph 85 of the P. W. Department Code. If there is necessarily any delay in closing the accounts, it should be seen in particular that further charges are not incurred without the permission of the Divisional Officer.

347. Before the accounts of a work can be closed on its completion, it should be seen that any adjustments of cost necessary under the rules e.g. paragraphs 180 to 187, Chapter II of the P. W. Department Code, have been duly made in the accounts, that all liabilities not originally brought to account have either been liquidated or since brought to account and that the balances under the suspense accounts 'contractors' and 'labourers' have been cleared, vide paragraphs 334 to 337. If the whole or any part of the expenditure on the work is recoverable from another department, local body or individual, action should be taken to effect or complete the necessary recovery before the accounts of the work are closed.

348. The steps to be taken to clear the suspense head 'materials at site' have been detailed in paragraphs 312 to 314 and 317.

349. The sub head 'additional charges for materials issued to contractors' vide para 326 should receive the special attention of the Divisional Officer who should, if necessary, investigate large closing balances under this head before permitting the accounts of the work to be closed. It is not necessary to clear this head by transferring the charges booked under it to other final sub heads, but profits or losses which are not clearly traceable to known

differences between the rates chargeable to contractors and the actual cost to Government, should not be accepted as correct without closer examination.

**350.** The accounts of annual maintenance estimates must be closed on the last day of the last month of the working year for the purpose. Ordinarily it should be possible to complete all the repair work and to settle the accounts of contractors and other suspense accounts before the expiry of the working year. If, in any exceptional case, any work remains to be done, and, in accordance with paragraph 254, Chapter II of the P.W. Department Code, it is proposed to carry it on to completion, action should be taken as under :—

(i) The expenditure incurred in the next working year should be treated as expenditure against the annual maintenance estimate for that year.

(ii) The suspense accounts of the work should be closed in the last month of the working year, by transferring the balances of all those accounts to the general suspense accounts 'miscellaneous P. W. Advance' or 'Public Work deposits,' as the case may be, which should be relieved in the following month by re-transferring the balances to the suspense account concerned in the accounts of the maintenance estimate for the next working year. All unsettled liabilities and assets should then be treated as those pertaining to the next working year's estimate.

(b) *Closing entries and review of expenditure.*

**351.** (a) When the work is completed and the accounts of it have been settled and written up as indicated in paragraphs 317 and 347, a double red ink line should be ruled below the final entries and a note made in red ink 'work completed in.....'. This note should be signed by the Divisional Officer in token of his satisfying himself that all action has been taken under these paragraphs. It will be the authority for treating the accounts of the work as closed, and a work should not be reported as completed in the division accounts unless this authority has been placed on record.

(b) If it is a deposit work, steps should be taken promptly to surrender the unexpended balance, if any, of the deposit with the approval of the Divisional Officer.

(c) *Excesses over Estimates.*

(i) *Excesses passed by the Divisional Officer.*

**352.** If the total expenditure on the work is in excess of the sanctioned estimate, and the excess is passed by the Divisional

Officer under his powers, the words 'excess passed by me' should be added to the completion note under paragraph 351.

(ii) Completion reports and estimates.

**353.** If, however, the excess is not within the Divisional Officer's powers to deal with, a detailed completion report in P. W. A. form No. 43 should be prepared or the item should be included in a consolidated completion statement of works and repairs in form No. 44 as may be required under the rule in paragraph 354, chapter II of the Public Works Department Code. The completion note in the register of works should then be amplified thus :

'Works completed in completion report/statement submitted with this office letter No. .... dated ..... The orders passed subsequently by higher authority on the excess reported in the completion statement or report should be noted in the register of works to complete the record. The completion statements and reports received after admission in the Accountant General's Office, should be arranged head-war and carefully filed in the division office.

#### IV. *Correction of errors after closing of accounts.*

**354.** Should an error or omission in the recorded expenditure of a work come to light after its accounts have been closed (see paragraph 85 of the P. W. Department Code), the account may be reopened in order to rectify the error or omission unless the amount involved is not more than ten rupees in which case it will be sufficient to make a note of the error or omission in the relevant documents concerned.

#### G. CONTRACTORS' LEDGER.

##### I. *Form and use of the ledger.*

**355.** The accounts relating to contracts should be kept in the contractors' ledger P. W. A. form No. 42, a separate folio or set of folios being reserved for all the transactions with each contractor for whom a personal account is maintained, *vide* paragraph 356.

**356.** Except in the following case, a personal account should be opened in the ledger for every contractor whether or not a formal contract has been entered into with him.

If the work or supply entrusted to him is not important and no payment is made to him except on a first and final bill, form No. 23 on completion. If any materials are issued to the contractor or any payments made on his behalf, a ledger account must be opened.

NOTE.—No personal ledger accounts need, however, be maintained in the case of payments made to petty labour contractors engaged in the P. W. Workshops.

## II. *Posting the Ledger.*

**357.** The contractors' ledger should be written up in the division office. It is not necessary for the sub divisional officer to maintain a similar ledger in his office, but if he maintains one the Divisional Officer may not require him to furnish extracts therefrom.

**NOTE.**—As the Sub-Divisional Officers are responsible for the clearance from works accounts of all outstandings against contractors, vide paragraph 181 (b), a list of balances due to and from piece workers and contractors should therefore be maintained by them, and this may preferably be done in the same form as the contractors' ledger.

**358.** Except when a contractor's account is to be closed and the procedure prescribed in paragraph 336 is observed in respect of unpaid bills, the value of work done or supplies made by a contractor should not be credited to his account until his bill has been passed and payment made thereon. Debit entries in the ledger should be made only on the basis of transactions recorded in the accounts, the postings being made from the supporting cash, stock or adjustment vouchers; liabilities not yet liquidated should be excluded altogether. The value of materials, if any, issued to a contractor under paragraph 302 or 303 should be debited to his account on the authority of his acknowledgment, *see* paragraph 306.

Security deposits of contractors should not be included in their personal accounts in the ledger, *vide* paragraph 417.

**359.** (a) The form of the ledger provides for the following columns :—

### *Particulars of bill or voucher.*

1. Date
2. Voucher number
3. Serial number, if a running account bill.

### *Net transactions detailed by suspense heads.*

4. Secured advances
5. Other transactions
6. Name of work or account and particulars of transactions.

### *Gross transactions.*

7. Debits
8. Credits
9. Total value of work or supplies.
10. Remarks.

(b) Columns 7 and 8 constitute the ledger account proper and columns 4 and 5 set forth the net effect of each posting on the two suspense heads making up the account. Column 9 is also not a part of the personal account but will be found useful for the purpose of exercising a check over the continuity of bills in the case of running accounts.

(c) Columns 1 to 3 and 9 require no explanation. Instructions for filling in columns 4 to 8 in the case of personal accounts are given below :—

(i) Column 6—Name of work etc. Here should be entered the full name of the work to which the bill or voucher relates except in the case of suppliers' bills when the name of the account concerned, stock or purchases, should be stated. Brief particulars describing the nature of the transaction should then be added, and against the line should then be posted, in the money columns 4, 5, 7 and 8, the figures relating to the transaction only. When a deduction made from a contractor's bill for one work is creditable to the account of another work, and such credit is in connection with his contract for the latter work, two distinct sets of entries should be made in the ledger one for the payment made on account of the former work and the other for the recovery creditable to the latter, as if that recovery had been made in cash. The second set of entries should be posted in a separate line, in columns 5 and 8 against the name of the work concerned.

NOTE.—If there are several contracts in connection with a work or accounts the transactions relating to each should be distinguished preferably by quoting the number and date of agreement or work order.

(ii) Column 5—Other transactions. In the case of running account bills, figure G of the memorandum of payments should be posted in this column. If a payment is made on a first and final bill, P. W. A. form 23, no entry should be made in this column unless a recovery is made from the contractor on any account. In the case of transactions other than these, the amount paid or recovered should be entered.

(iii) In columns 4 and 5, debits to contractors should be posted as plus entries and credits as minus entries.

(iv) Column 7—Gross transactions—debit. If it is a running account bill, figure H of the memorandum of payments should be posted in this column, otherwise the total amount paid or chargeable.

(v) Column 8—Gross transactions—credits. Here should be entered the value of work or supplies creditable to the contractor which will be figure F in the case of running account bills,

(vi) Column 9—Total value of work or supplies. In the case of running account bills, here should be entered the total value of work done or supplies made up to date as per figure A of account 1 of bill but before posting the bill it should be seen that the figure shown in account 1 of it as "Deduct value of work shown on previous bill" agrees with the last entry in column 9 of the ledger against the work concerned. In token of this check, this last entry in column 9 should be initialled (and dated) by the Divisional Accountant.

### III. BALANCING AND RECONCILIATION.

**360.** The ledger accounts should be closed and balanced monthly. The closing balance of each personal account should be detailed so as to show, in respect of each separate work or account (stock or purchases), the amount outstanding if any under each of the suspense accounts (i) secured advances and (ii) other transactions with a quotation in each case of the last running account bill and of all the vouchers supporting unadjusted outstandings under other transactions not incorporated in the last running account bill. In the case of running account bills, those balances can easily be ascertained from the memorandum of payments of the bill or bills referred to and it will be found convenient in practice to make a note of the outstanding balance of each bill in the ledger when posting the bill, so that at the end of the month the closing balance of the ledger account may be verified with the net result of the details already recorded.

**361.** The Divisional Accountant should be held responsible for the correctness of the contractors' ledger and for securing agreements month by month between the balances detailed in the works abstract and the corresponding balances of the accounts in the ledger. He should further see that there is no indication of a transaction pertaining to a running account having been settled on a form of bill not permitted to be used for the purpose.

**362.** (a) Periodically all the personal accounts in the ledger should be examined to see

(i) that the balances do not remain outstanding for a long time without justification, and

(ii) that in the case of running accounts, bills are prepared at reasonable intervals.

(b) Entries in column 9, total value of works or supplies not bearing the initials of the Divisional Accountant recorded under paragraph 359 c. vi should be reviewed in particular to ascer

tain the cause of delay if any in the preparation of final bills. This examination must invariably be made before a volume of the ledger is laid aside on completion so as to ensure that all outstanding accounts in it are carried forward to a new volume.

#### IV. SCRUTINY OF ACCOUNTS BY CONTRACTORS.

**363.** A contractor requiring a copy of his running account bill or an extract from his accounts in the contractors' ledger should be furnished with the same. He should be encouraged to look into his accounts in the ledgers and sign it in token of his acceptance of it.

#### H. SUNDRY RULES.

##### 1. Carriage and Incidental Charges.

**364.** (a) The cost of carriage of stock materials to site of works and all carriage charges in connection with the movement from place to place of other materials issued to or provided for a work specially should be charged direct to the account of the work, the exact classification of charge being as indicated below :

Nature of issue of materials.	Head chargeable in the account of work.
<p>I. Issues to contractors under paragraph 302</p> <p>(a) To the promised place of delivery.</p> <p>(b) Beyond the place of delivery if incurred.</p> <p>II. Issues to contractors under paragraph 303,</p> <p>III. Issues direct to works.</p>	<p>'Final charges in the case of minor estimates and additional charges for materials issued to contractors' in the case of major estimates.</p> <p>The personal account of the contractor under the suspense head 'contractors—other transactions.'</p> <p>do. do.</p> <p>The sub-head to which the cost of the materials is charged.</p>

(b) When surplus materials are returned from a work to stock, the cost of carriage should be borne by the work, but if they are transferred to another work, the charge may be debited to either work as may be equitable.

(c) Incidental charges connected with the movement of materials issued to or provided specially for a work or return therefrom should be adjusted in the same way as the cost of carriage.

(d) In all cases, the places from and to which conveyed, the distance, the quantity and the approximate weight must be clearly stated in the payment vouchers.



## II. CHARGES FOR THE EXAMINATION OF SOIL.

**365.** The expense attendant upon the necessary examination of the soil for the foundation of works ordered by competent authority should be treated as outlay on works and not as the contingent charge, provision for it being made under the service head concerned in a requisition or estimate according to the sum involved.

**366.** Municipal and other taxes on public buildings residential or non-residential, when chargeable to the Public works Department as the department in administrative control of the building should be treated as expenditure on repairs and debited to the maintenance estimates of the buildings concerned.

When the P. W. D. entrusts to the agency of the Local Board the maintenance of Government buildings or roads, without transferring the property to the Local Body, the payment made to it on this account should be treated as a payment for work done by a contractor. If lump sum payment has been agreed upon, the procedure for settling the account periodically, and for recording the cost of the work, may be simplified, with the concurrence of the Accountant General, provided :

(a) that a certificate that the work has been done in accordance with the conditions agreed upon is placed on the records by the Executive Engineer or a sub-divisional officer deputed by him for the purpose.

(b) that if the payment is made for a number of works, expenditure on all of which cannot be classified in the accounts under a single head of account, the necessary detailed classification of the charge is set forth, and

(c) that, as far as possible, the liability of a year is settled within that year.

## III. SCOPE OF SANCTION.

**367.** The authority granted by a sanction to an estimate is strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, it is not permissible to apply, without the sanction of the competent authority, any anticipated or actual savings, whether due to the abandonment of a part of work or to any other cause, on a sanctioned estimate of a definite project to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.

**368 a.** Annual contributions recovered from local bodies or private parties which have been fixed as a specific sum without reference to the amount actually spent by Government on certain works.

e. g., maintenance of roads, bridges, hospitals. &c., taken over under Government control, or Government irrigation works, etc., should be credited finally in the accounts to the appropriate head of revenue vide statement A of Appendix I. The actual expenditure on the works will be charged in the P. W. accounts in the same manner as on other Government works.

Note.—The Accountant General will maintain a list of contributions recoverable annually and will watch the recoveries in audit through the register of special recoveries.

(b) In the case of contributions which are not fixed once for all as a specific sum but which are fixed on each occasion either with reference to the total cost of the work or otherwise as in the case of tank restoration scheme works, the contributions should be credited to public works deposits and the outlay incurred should be charged against it in the first instance. After the deposit has been exhausted, any further outlay should be charged to Government under the relevant head of account, and any adjustment which may become necessary on the basis of the agreed share of cost in the case of tank restoration scheme works should be carried out just before the accounts of the works are closed.

---

---

CHAPTER X.

## Manufacture Accounts.

*A. Introductory.*

**369.** When materials are manufactured departmentally, either for the general requirements of works or for a particular work, a separate account, called a manufacture account must be kept of the transactions connected with each manufacture.

**370.** The detailed accounts of the expenditure on a manufacture are maintained in the same way as the accounts of a work and in addition, an account is kept of the quantities and values of the products of the manufacture. The two sections of the accounts are known respectively, as the 'operation' and the "out-turn" accounts.

**371.** The ordinary forms of the registers of works are unsuitable for recording the progress of the transactions of a manufacture. P. W. A. form No. 41—Register of Manufacture, should be used instead.

**372.** It is essential that the accounts of a manufacture shall not remain open indefinitely. If the operations are seasonal, the accounts of each season should be kept separate and closed as soon as the operations are closed. In cases in which operations are continuous, the accounts must nevertheless be closed periodically, but at least once a year.

*B. Operation charges.*

**373.** A manufacture account is charged directly with (1) the value of raw materials issued from stock or obtained otherwise ; (2) the cost of the labour employed ; and (3) other incidental charges connected with the operations.

**374.** The following rules apply to certain special incidental charges :—

(a) Capital charges, such as the cost of land, kilns, special plant, etc., incurred in connection with a manufacture which does not extend beyond a single season are debited wholly to the account of the manufacture.

(b) Capital charges in connection with a manufacture extending over more than one season should be debited, in the first instance, to a special account under the sub head 'land, kilns, etc.,' of the stock account. This account should also be charged with the cost of repairs and renewals of the kilns etc. All these charges should be recovered in suitable instalments by debit to the 'operation' accounts of the several seasons, the number of instalments and

the amount chargeable for each season being determined on the merits of each case.

NOTE 1.—The decision as to the suitable instalments whereby the 'land, kilns etc.' account is to be cleared periodically, as given by the authority sanctioning the initial charge should be recorded in the register of stock and not deviated from without the further orders of that authority.

NOTE 2 — When the land, kilns, plant etc., acquired for departmental manufacture operations are leased to a contractor of the division or other person, the rent charged should be credited to this special account and not to revenue.

(c) If the manufacture is undertaken on behalf of other divisions or departments, or of local bodies or individuals, a charge should be made on account of establishments and tools and plant, if leviable under the rules, vide, appendix II, for the outlay on works undertaken on their behalf.

(d) Save as provided in clause (c) above, no charge is permissible on account of the general establishment and ordinary tools and plant charges, or on account of interest on the capital cost of the land, kilns, plant etc., though all these charges should be included in any pro-forma accounts of the manufacture operations of the division, which may be prepared under the orders of Government, with a view to compare the cost of articles manufactured departmentally with the rates charged by suppliers.

**375.** The accounts of road metal digging are not treated as manufacture accounts, but the charges connected with land quarries acquired for such operations should be dealt with in accordance with paragraph 224.

### *C. Value of out-turn.*

**376.** A manufacture account is credited with the value of the manufactured articles and of the surplus materials sold or otherwise disposed of (paragraph 312.)

**377.** The out-turn account referred to in paragraph 370 should show, month by month, the quantities and value of each class of articles manufactured, compared with the corresponding figures shown in the estimate (if any). The detailed account for each month should be prepared in form No. 33, out-turn statement of manufacture, and should be attached to the works abstract for the operation.

**378.** The rates for valuing manufactured articles should be fixed as to represent, as accurately as possible, the actual cost of manufacture per unit, but should not exceed the market rates.

---

*D. General Account.*

**379.** A manufacture account is essentially a suspense account, as the cost of the operations cannot be cleared finally until they are closed. Manufacture transactions are, therefore, recorded under a distinct sub head, called 'manufacture' of the stock suspense account.

**380.** In the stock accounts, the manufacture transactions should be recorded thus :

(a) 'Operation' charges should be shown as receipts of stock under the sub-head 'Manufacture', charges representing value of stock materials issued to manufacture being simultaneously treated as issues of stock under the sub-heads concerned.

(b) All out-turn should first be brought formally on the stock account, by crediting its value to 'manufacture' and simultaneously showing the articles as receipts of stock under the sub-heads concerned.

(1) If the rate at which any article of out-turn, manufactured for a particular work, is valued, is different from the issue rate of a similar article already in stock, the two articles should appear as distinct items in the stock accounts.

(2) No storage charge is leviable in respect of materials manufactured on behalf of other divisions, departments, local bodies and individuals which are formally passed through the stock accounts under this paragraph. See also paragraph 374 (c)

**381.** The difference between the 'operation' and 'out-turn' should be adjusted under the orders of competent authority before the accounts of manufacture are closed. If the orders issued have the effect of enhancing or lowering the value of the out-turn already brought to account, the adjustment will be made by a suitable entry (without any fresh quantities) in the out-turn statement form No. 33; in other cases, the loss or gain, as the case may be, should be taken to the expenditure or revenue head concerned by a regular transfer entry, which will affect the 'operation' account only. In all cases, the total 'operation' and 'out-turn' should equal each other on closing the manufacture account. See also paragraph 182.

## CHAPTER XI.

## Suspense Accounts.

## A. INTRODUCTORY.

**382.** The account of the minor head 'suspense' sub-divided into as many of the four heads named below as may be required is kept in each division.

1. Purchases
2. Stock
3. Miscellaneous P. W. Advances
4. Workshop suspense.

These heads are of a temporary character and all transactions recorded under them are ultimately removed either by payment or recovery, in cash, or by adjustment. The transactions, therefore consist both of debits and credits, the latter being treated as reduction of expenditure when making up the account.

*B. Purchases.*

**383.** When materials are received from a supplier or from another division or department, their value should be credited to purchases—

(i) immediately on their receipt, if they have been received for a specific work, so that per contra the cost may be included at once in the accounts of the work and those accounts, as well as the connected subsidiary accounts, may take cognisance of the receipt of materials at the earliest opportunity, *vide* paras 300 and 306 ;

(ii) on closing the accounts of the month, if they have been received for stock and payment has not been made for them during the month so as to secure agreement between the quantity and value accounts, *vide* paragraph 172.

**384.** When the actual value of the materials is not known, it will suffice if an estimated figure is adopted, any difference being adjusted as soon as known, by a plus or a minus credit to purchases, as the case may be. See also rule 1 to paragraph 385.

**385.** When the price of materials is paid or adjusted in transfer, the payment should be debited to purchases, and the outstanding credit thus cleared.

(1) If the amount admitted in payment exceeds the amount credited to purchases, the difference should be charged direct to stock or to the work concerned.

**386.** Unclaimed balances in the purchases account should be dealt with in accordance with the procedure prescribed for deposit balances in paragraph 427. Paragraph 428 regarding the repayment of lapsed deposits applies *mutatis mutandis* to repayment of lapsed balances of purchases.

**387.** The account of this head should be kept in P. W. A. form 61 suspense register, the details being recorded in a separate set of folios for each of the two headings (i) purchases for stock and (ii) purchases for specific works.

### C. STOCK.

**388.** The head 'stock' is opened in all divisions in which stocks of materials are maintained for general purposes, *vide* paragraph 494 of the P. W. Department Code. In divisions in which no stocks are maintained this account should be opened only when any manufacture operations are undertaken.

**389.** The money limit for the stock reserve of a division prescribed by the Government *vide* paragraph 494 of the P. W. Department Code, is meant to be applied to the value of materials acquired or manufactured for stock purposes only. Excesses over this limit are, therefore, permissible only when caused by unadjusted expenditure on manufacture operations connected with specific sanctioned works.

**390.** The account head 'stock' is charged with all expenditure connected with the acquisition of stock materials and with all manufacture operations and with the expenditure incurred on storage. It is credited with the value of materials issued to works, or sold, transferred or otherwise disposed of, and the balance of the account represents the book value of the materials in stock plus the unadjusted charges etc., connected with manufacture plus the unexpended expenditure on storage.

**391.** The sub-heads of the 'stock accounts' are :—

1. Small stores
2. Building materials
3. Timber
4. Metals
5. Fuel
6. Painters stores
7. House fittings
8. Miscellaneous stores etc.
9. Land kilns etc.
10. Manufacture, and
11. Storage.

**392.** (a) The general account of the receipts, issues and balances of the suspense head 'stock' should be maintained in the suspense register, P. W. A. form No. 61. A separate account should be kept in respect of each sub head, the transactions of the several sub divisions being detailed therein as separate items and the totals of all sub-divisions as another. Transfers within the division should be accounted for against a single item 'deduct—transfers within division' before the total for the entire head 'stock' is struck.

(1) The clearance of balances under 'transfers within division' should receive special attention.

(b) The subsidiary accounts of stock are described in chapters VI and X.

**393.** The balance under the sub head 'storage' should be finally adjusted, *vide* para 195, on closing the accounts of the year as a 'surplus' or 'deficit' *i. e.*, as a profit or loss on stock according as it is a plus or minus balance and should not be carried forward to the following year.

#### D. MISCELLANEOUS P. W. ADVANCES.

**394.** Transactions recorded under the head 'miscellaneous P. W. advances' are divided into four classes:—

- (i) Sales on credit.
- (ii) Expenditure incurred on deposit works in excess of deposits received.
- (iii) Losses, retrenchments, errors, etc.
- (iv) Other items.

Note:—Personal advances drawn from the Treasury and audit retrenchments made from bills cashed direct at the Treasury do not appear in the accounts of division offices. Advances made to contractors appear in the accounts of works.

**395.** When stores of any kind are sold on credit, their value (plus, if recoverable, the supervision charges referred to in paragraph 506, Chapter IV of the P. W. Department Code) should be debited to Miscellaneous P. W. Advances under the sub head 'Sales on credit', so that (1) the accounts of stock or works from which materials are issued may be kept correct, and (2) the recovery of the value from the local body or individual concerned may be watched through the regular accounts.

Note :—In each case there must be authority for the sale on credit.

**396.** Outlay on deposit works is required to be limited to the amounts of deposits received. Any expenditure incurred on deposit works in excess of the amount deposited (*vide* para 433) is chargeable to Miscellaneous P. W. Advances pending recovery to effect which action should at once be taken. See paragraph 401.



**397.** Under the heading 'losses', retrenchments, errors, etc., appear the following :—

- (a) Deficiencies in cash or stock.
- (b) Actual losses of cash or stock.
- (c) Errors in accounts awaiting adjustments.
- (d) Retrenchments and losses of other kinds recoverable from Government servants.

**398.** The head 'other items' is meant for all debits, the allocation of which is not known or which cannot be adjusted until recovery or settlement is effected or write off ordered.

The following may be cited as examples :

1. Debits, the classification of which cannot at once be determined,
2. Recoverable debits not pertaining to the accounts of a work, and
3. Recoverable outstandings pertaining to works, the accounts of which are closed (*vide* rule 1 to paragraph 336 and paragraph 350.)

**399.** No charge may be debited to Miscellaneous P. W. Advances on the ground of absence or insufficiency of sanction or appropriation except as provided in paragraph 396.

NOTE. The share of Municipal taxes paid by Government on behalf of tenants of Government buildings should be debited to the head pending recovery.

**400.** Items in the 'Miscellaneous P. W. Advances' account are cleared either by actual recovery or by transfer, under proper sanction or authority, to some other head of account. Items of balances which may become irrecoverable should not be so transferred until ordered to be written off.

**401.** The detailed accounts of this head should be kept in form No. 61 suspense register.

For items falling under the class 'expenditure incurred on deposit works in excess of deposits received' details are not necessary, as these are recorded in the schedule of deposit works, form No. 60.

For each of the other three classes of items, a separate set of folios should be reserved, and all the items under each class should be detailed so that their clearances may be watched individually. An abstract should be prepared to show the totals of all the classes.

#### E. WORKSHOP—SUSPENSE.

**402.** When a workshop has been established, the accounts of which are kept in accordance with the rules in chapter XII, all direct outlay on the jobs executed and on other operations of the

workshop is passed through the suspense head—workshop suspense and a separate account is kept under it of each job or operation, so that all charges relating to each may be collected and charges of a general nature may be suitably distributed over all the jobs or operations affected, before the total cost recoverable is determined.

**403.** The recorded expenditure on a job is removed from the suspense account only when, and to the extent, an adjustment is effected against the deposit received or against the service or other head concerned, vide paragraph 412. This removal is effected by a credit to the account of the job. But when any charges are transferred from one job or operation to another, the transfer should be made by plus and minus debit entries.

**404.** On the completion of a job all outstanding charges on it must be debited, as soon as possible, to the head concerned, but in cases where this cannot be done, as in the case of expenditure incurred in excess of deposit received, the unadjusted amount should be transferred to the head 'Miscellaneous P. W. Advances' pending settlement.

**405.** The detailed account of this head should be kept in a suitable form prescribed in accordance with the rules in chapter XII, the object being to maintain an account showing the cost of each job or operation and its adjustment from time to time.

---

## CHAPTER XII

## Workshop Accounts.

## A. INTRODUCTORY.

**406.** The P. W. Workshop at Trivandrum exists as a distinct division, the objects in running which are detailed in paragraph 527 of the Public Works Department Code. The rules in this chapter are only of general applicability to a workshop and should be supplemented by special rules in the case of P. W. Workshop, Trivandrum.

**407.** For every job there must be an estimate of cost (providing for all charges including the prescribed percentage for indirect charges, vide paragraph 413) sanctioned by competent authority and accepted by the indenting officer, local body or individual. The amount to be realised from the indenting party will, however, be based on the actual cost, though the authorised limit of cost, which the officer in charge of the workshop may incur without further authority is that shown in the accepted estimate.

**NOTE.** If the execution of a job for another division or department is likely to extend beyond one financial year, the limit of the cost which may be incurred in each official year should also be settled beforehand.

## B. DIRECT AND INDIRECT CHARGES.

**408.** Charges on jobs. The total charges on a job (*i. e.* the cost of it) divide themselves into

(i) direct charges *i. e.* charges for liabilities incurred on account of the job,

(ii) indirect charges *i. e.* charges which are levied at a percentage to cover the cost of establishment and tools and plant employed on the job and other items such as, interest on capital cost of buildings, plant and machinery, depreciation of buildings, plant and machinery and maintenance charges of the same.

**409.** Receipt and expenditure transactions in connection with workshops are brought to account as follows:—

(a) Where capital accounts are kept of a workshop intended mainly for the needs of the Public Works Department, all expenditure incurred upon it, whether of the nature of capital or of working expenses, should be recorded under the major head “36 Buildings.” Recoveries of capital expenditure will be taken in reduction of such expenditure; revenue receipt will be booked under the minor head “XXVII Workshops Receipts” which may be sub-divided so as to meet the requirements of the pro-forma accounts of the shop.

(b) Where no capital accounts are kept of a workshop intended mainly for the public works department, all expenditure should be booked under the head "36 buildings etc." and all receipts, whether "recoveries of expenditure" or "revenue receipts" under the detailed head "XXVII Fines, refunds and miscellaneous."

**410.** All capital charges on buildings, plant and machinery and stock materials, and all revenue charges incurred on their maintenance and on the up-keep of the necessary general establishment should be accounted for as ordinary public works transactions under the major head "36 buildings etc." in accordance with the preceding article and under the general rules of other chapters of this Code. There are charges which neither pertain to any individual job executed in the shops, nor are capable of direct apportionment amongst all the jobs, and are therefore, met out of the grants of the department, the distribution of such charges over individual jobs being made in accordance with the rule in paragraph 413.

**411.** All other expenses connected with the operations of a workshop are chargeable to the jobs concerned, and should, therefore be accounted for under the suspense head Workshops suspense (vide paragraphs 402—405). The charges pertaining exclusively to any job should be debited to it at once, and those of a general nature should be treated in the first instance as general charges (under one or more suitable headings) and apportioned subsequently amongst the jobs concerned in accordance with a definite procedure.

(i) This paragraph does not apply to incidental charges connected with the stock of materials which should be dealt with under paragraphs 183 and 410.

(2) All liabilities should be taken into account, even though undischarged, so that the general charges may be correctly allocated month by month, and the recorded expenditure on each job may represent, as far as possible, the actual cost up-to-date.

**412.** In the case of jobs of all classes, the cost of operations should be charged off or adjusted on transfer (paragraph 403) as the case may be, month by month, but in the following cases the accounts of a job may be settled once a year in Karkatagom, or in an earlier month if the job is completed earlier (vide paragraph 404.)

(a) When the total cost during the year is not larger than Rs. 100 or any other limit that may be fixed in consultation with the Accountant General.

(b) When the monthly settlement of account is inconvenient to the indenting division or department.

1. When the estimated cost of a job is recovered in advance, it should be kept in deposit in the first instance, and the adjustment of actual cost made under this paragraph should be effected against the deposit, the unexpended balance being refunded only when the job is completed and the account of it settled.

**413.** In addition to the direct charges referred to in paragraph 411, the account of each job should be debited not through the workshop suspense account but directly under the head of account concerned, with suitable percentage to cover the indirect charges enumerated below :—

(a) Supervision charges under paragraph 506 of the Public Works Department Code.

(b) Interest on the capital cost of buildings, plant and machinery.

(c) Maintenance charges of buildings, plant and machinery.

(d) Depreciation of plant, buildings, and machinery.

(e) Establishment charges (including 1 per cent on account of audit and account establishment) see rule 10 (1) of Appendix II, see also paragraph 410.

The percentage for supervision charges should be calculated on the value of materials issued on each job. The other charges are ordinarily calculated on the total cost of labour and stores pertaining to the job. It is usual to charge a further percentage on account of profit except in the case of jobs executed for other divisions.

1. The percentage realised on account of establishment charges is treated as reduction of expenditure in accordance with the rules in Appendix II.

2. All other percentages are treated as revenue receipts.

**414.** The indirect charges referred to in paragraph 413 should be brought to account whenever the settlement of the account of direct charges is effected under paragraph 413.

### C. ANNUAL ACCOUNT AND REVIEW.

**415.** Annually, pro-forma accounts of each workshop should be prepared consisting of ;

(i) the capital account, showing the value (after making due allowance for depreciation) of the buildings, machinery, and plant, and stock, and the outstanding balance of the workshop suspense account,

(ii) the out-turn account showing in such detail as may be necessary, the charges on labour and stores, and the general and indirect charges ; and

(iii) the profit and loss account, showing on the one side the actual working liabilities of the year, *e. g.*

(a) interest calculated on the mean capital of the year under all the heads named in (i) above,

(b) the actual maintenance charges of buildings and machinery and plant,

(c) depreciation of buildings, machinery and plant calculated on the capital value, thereof and

(d) general establishment charges plus

1. a suitable addition thereto on account of leave and pensionary charges; and
2. one percent for audit and accounts establishment only on such jobs in respect of which this percentage is not credited to the major head "19 General Administration—E Accountant General's Office" in the regular accounts (vide rule 2 to paragraph 10 of Appendix II) and on the other side the percentage charges made under paragraph 413 excluding the 1 per cent for audit accounts establishment credited to "19 General Administration—E Accountant General's Office" under rule 1 to paragraph 10 of Appendix II.

NOTE. The stock account should be treated as part of the workshop account only if and to the extent the reserve stock is declared by Government to be part and parcel of the shops. When the whole or part of a stock is merely an adjunct to a workshop neither the interest charges on it nor the losses or gains (including supervision charges) arising out of it should appear in the Profit and Loss Accounts of the Workshop.

**416.** The Accountant General should review the annual accounts of the workshop in consultation with the Superintendent in charge of workshop and submit a report to Government on its financial working specially bringing out the necessity or otherwise of revising the percentages fixed by the Government for the several percentages in regard to the indirect charges.

To facilitate the review of the percentages it will be found convenient to show in the Profit and Loss Account, not only the figures of the year but also the progressive figures to the close of the year, commencing from a suitable date.

## CHAPTER XIII.

## Deposits.

## A. INTRODUCTORY.

417. Deposit transactions of the P. W. D. are of two kinds :—

(1) Public Works deposits, which pass through the regular accounts of the division,

(2) Interest bearing securities.

Deposits of the first kind comprise transactions of the following classes; which are passed through the account head 'Public Works Deposits'.

(a) Cash deposits of subordinates as security,

(b) Cash deposits of contractors as security,

(c) Deposits for works to be done,

(d) Sums due to contractors on closed accounts,

(e) Miscellaneous deposits.

The interest bearing securities referred to in class 2 are deposited by subordinates and contractors. These do not pass through the regular accounts of the division.

NOTE.—Sums less than one rupee due for refund of revenue or repayments of deposits should be credited to revenue.

## B. SECURITY DEPOSITS.

418. Security deposits of subordinates and contractors whether made in cash or in one of the forms of security referred to in paragraph 419 are covered by a bond or agreement setting forth the conditions under which the security is held and may be ultimately refunded or appropriated. Reference to such bond or agreement should be recorded in the deposit register or the register of securities, as the case may be.

419. The recognised forms of interest bearing securities, and the rules to which they are subject, are indicated below :—

1. Government Savings Bank deposits, Chapter XXI of Financial and Account Code Part I.
2. Government Promissory Notes, Chapter XX Do.
3. Government of India Securities (other than non-terminable securities). The Government of India Security Manual issued by the Controller of currency.

4. Deposits in recognised Banks. The depositor should be required to get the receipts made out in the name of the pledgee. If the deposit is for more than 6 months, the receipt should be forwarded to the Accountant-General for custody; otherwise they should be retained by the Divisional officer. The depositor should receive the interest, when due, direct from the bank, on a letter from the pledgee authorising the bank to pay it.

NOTE. In the case of Government Pro-notes, they may be accepted at their face value or market price whichever is less. The reduction of 5 per cent. is not necessary.

420. Security deposits lodged in the Government Savings Bank should be pledged to the Divisional Officer, vide Article 821 (f) of the Travancore Financial and Account Code. The pass books and other securities should remain in the custody of the Divisional Officer.

All the pass books should be sent to the Anchal Office or Treasury, as the case may be, as soon as possible after the last day of Vrischigom each year in order that the necessary entries on account of interest may be made in them.

421. Cash deposits of subordinates and contractors may be converted, at the cost of the depositor, into one or more of the forms of interest bearing securities, provided—

(i) that the depositor has expressly desired this in writing, and

(ii) that the acceptance of the new form of security is permissible under the rules as well as under the terms of the agreement or bond.

1. Cash which has actually been received or recovered may be converted even though the full amount of the deposit, which is being paid in instalments, has not yet been realised.

NOTE. Percentage deductions from a contractor's bills for the due fulfilment of a contract should not be invested in Government Securities as the forms of contracts do not provide for the payment of interest to contractors on these sums.

422. Percentage deductions on account of security, made from contractor's bills, should also be credited to the head Public Works deposits.

423. Without the special orders of competent authority, no security deposit should be repaid or transferred to the depositor, or otherwise disposed of except in accordance with the terms of his agreement or bond, vide also Article 821 of the Travancore Financial and Account Code.

(1) The depositor's acknowledgment should be obtained in all cases of security returned. When an interest bearing security



is returned or retransferred, the acknowledgment should set forth the full particulars of the security.

NOTE. The percentage deductions from bills which are held as security should not be refunded till the final bill is prepared and passed.

### C. OTHER DEPOSITS.

#### I. *For Works.*

424. Deposits for works are passed through the head 'Public Works Deposits'. Such works are known as deposit works and the detailed rules relating to them are given in Chapter XIV.

#### II. *Contractors' Closed Accounts.*

425. Under the rules in paragraph 336, sums due to contractors on closed accounts may be placed in the deposit account. When a sum so held in deposit is ultimately paid to the contractor concerned, his acknowledgment should set forth such particulars as would establish the settlement of his account in connection with the work concerned.

#### III. *Miscellaneous.*

426. All other deposits are classed as Miscellaneous deposits. This head also holds, until clearance, all items of receipt the classification of which cannot at once be determined, or which represent errors in accounting awaiting adjustment.

### D. LAPSED AND CONFISCATED DEPOSITS.

427. In the accounts of Karkatagom each year, the following classes of items in the Public Works Deposit Account should be credited to Government as lapsed deposits.

1. Original deposits not exceeding five rupees remaining outstanding for one whole account year,
2. Balances not exceeding five rupees of items partly cleared during the year then closing,
3. Balances unclaimed for more than three complete account years.

(i) For the purpose of this rule, the age of a repayable item or of a balance of it, is to be reckoned as dating from the time when the item or balance, as the case may be, became first repayable. See also Note 1 to Article 678 of the Travancore Financial and Account Code.

428. Deposits credited to Government under paragraph 427 or confiscated under the provisions of an agreement or bond cannot be repaid without pre-audit by the Accountant General who will authorise payment on ascertaining—

- (i) that the item was really received,
- (ii) that it was credited to Government as lapsed or confiscated, and

- (iii) that the claimant's identity and title to the money are certified by the Divisional Officer.

The amount repaid should be treated as a refund of receipts under the major head to which it was credited and the repayments should be noted in the deposit register against the entry for its credit to Government, *vide* paragraph 251.

## E. ACCOUNT OF PUBLIC WORKS DEPOSITS.

### I. *Deposit Register.*

**429.** A record of the transactions relating to Public Works Deposits should be maintained in the Division Office in a register in the same form as the suspense register P. W. A. form No. 61. This deposit register should show, month by month, the total receipts and adjustments, the closing balance of each separate deposit item ; but in respect of deposits for works to be done which are accounted for in detail in the schedule of deposit works, form No. 60, a single entry for all such deposits will suffice.

### II. *Schedule of Deposits.*

**430.** From the deposit register, a monthly extract known as the schedule of deposits, P. W. A. form No. 70, and showing for each item the opening balance, the receipts and adjustments of the month, and the closing balance, should be prepared for submission to the Accountant General. The entry for deposits for work to be done will be supported by the schedule of deposit works.

In the case of divisions where the total number of outstanding items under Public Works Deposits is usually very large but the number of items affected by the monthly transactions is small, the Accountant-General may authorise the preparation of the schedule of deposits in the alternative form No. 71.

This form is in two parts—Part I, abstract account, giving the totals for each class of deposits, and Part II, detailed extract from the deposit registers. In Part II, only such items need be extracted from the deposit register, as are affected by the month's transactions, but in the schedules for the months of Thulam, Makaram Medom and Karkatagom all current items should be shown, including those not affected by the month's transactions.

## F. ACCOUNTS OF INTEREST BEARING SECURITIES.

**431.** Transactions connected with interest bearing securities do not pass through the regular accounts of the division, unless any cash actually passes through the hands of officers of the department, which should be avoided as far as possible. A register of the

receipt and disposal of these securities should, however, be kept in P. W. A. form No. 77, Register of interest bearing securities, and at the close of the year an account in P. W. A. form No. 78-Account of interest bearing securities, should be prepared from this register for submission to the Accountant General. This account should be supported by (1) the acknowledgments (in original) of the depositors for securities returned or retransferred to them during the year and (2) the certificate of the divisional officer that all securities shown as outstanding in this account, or their acknowledgments by the authorised custodians are in his possession.

1. If a security recovered in instalments is being deposited in the savings bank, no entries should be made in respect of it in the register in P.W.A. form No. 77 until the security has been fully paid up; the annual verification referred to above should be completed in respect of the securities in the course of recovery by taking the recoveries of the period covered by the account from the deposit register verifying them at the same time as shown in the register of recoveries *vide* para 480.

2. If any sirkar savings bank deposits have been pledged to a sub divisional Officer under paragraph 420, the register for such securities should be kept by him and he should sign the annual certificate in respect of them.

3. When a subordinate who has furnished an interest bearing security is transferred to another division or department, the security should be kept in the original division until such period as is specified in the agreement, to cover any amounts that may be subsequently ordered for recovery in respect of the period during which he was under the original Divisional Officer. At the end of the period, the security should be released from the pledgee and passed on to the new Divisional Officer, or a responsible officer of the department to which he is transferred for returning the security to the pledger and sending the acknowledgment to the Divisional Officer concerned. In case the new post of the subordinate is also one in which a security should be furnished, the officer concerned should immediately take the necessary steps to get a formal agreement and to have the securities duly pledged in his own favour. The acknowledgment mentioned above should however be obtained and sent to the first officer. No security need be insisted upon by the second officer until the original is transferred and is duly pledged but he should satisfy himself by a reference to the Division office from which the subordinate was transferred as to the amount of security lodged there, the sufficiency thereof and the likelihood of recoveries that may be made before its transfer. There should be a proviso in all security bonds that the security shall be available as security for any new post to which the officer may be transferred.

## CHAPTER XIV.

## Non-Government Works

## A. INTRODUCTORY

**432.** Non-Government works are divided into two classes :—

- (a) Deposit Works, and
- (b) Other Works such as Kudipathi works.

**433.** If a work for which Government give financial assistance is executed as a deposit work by the P. W. D. on behalf of the local body, Government's contribution should not be paid in cash to the local body or Municipality, but should be adjusted by transfer of credit under 'P. W. Deposits' and debited to the head to which the expenditure on the work is proposed to be debited, irrespective of the object for which the assistance is rendered. The deposit account of the local body which has not withdrawn its balance from the treasury will simultaneously be credited and debited with the amount. Ordinarily in case of—

(a) contribution works which are executed partly from Government funds or grants-in-aid and partly from the funds of local bodies and also in the case of

(b) irrigation contribution works which are financed partly by the Government and partly by private bodies, the Government contribution or an instalment of it will be paid only after the local body has paid out of its own funds a corresponding amount, *e. g.* in the case of a work costing one lakh to which the Government have undertaken to contribute Rs. 75,000 an instalment of Rs. 30,000 may be paid by Government as soon as the local body makes a payment of Rs. 10,000. The bills on which the Government contribution is adjusted in this manner should be countersigned by the Executive Engineer who should see that the rule is observed. If in the case of works of class (a) and (b) it is considered not desirable to suspend the works pending receipt of contribution, Government money may be spent in advance of its turn, but interest shall be charged on the amount so spent for the period it is advanced. In

such cases, demand for payment of the contribution shall ordinarily be made at least a month before the money is required and the date on which it should be paid shall be stated in the demand, and interest will accrue from that date or from such later date on which Government money may be actually advanced. If there are not sufficient Government funds in a year to be utilised on the works pending receipt of the contribution due from the local body or private body concerned, orders of Government shall be obtained for the provision of funds in proper time. In cases where the excesses are comparatively small, appropriation to cover such excesses as are not expected to be cleared before the end of the financial year shall be obtained from Government in Medom of each year under the suspense head 'Miscellaneous-Public Works Advances.'

The rule regarding recovery of interest on Government money spent in advance of its turn may be relaxed in the case of the amount spent in advance of the first instalment payable by a local body for a contribution work which is partly financed by that body by means of a loan. For Government money spent in advance of the second and subsequent instalments, interest shall be charged unless in any case Government decide not to charge interest.

**434.** When works already constructed or land already purchased, are transferred, free of charge, to local bodies under the provisions of paragraph 296 or paragraph 382 of the Department Code, no readjustment of the accounts of cost is necessary.

**435.** For every non-Government work, there must be a duly sanctioned detailed estimate or requisition, as the case may be, in the same way as for a Government work.

#### B. DEPOSIT WORKS.

**436.** When a deposit work is to be carried out, the local body or other party concerned should advance the gross estimated expenditure or the share which is payable by it, to the Divisional Officer in one lump sum, or in instalments and by such dates as may be specially authorised by the Government, *vide* paragraph 346 of the Public Works Department Code. No non-Government work shall be executed before receipt of contribution therefor without the special orders of Government except in cases specified in paragraph 433 of this Code. Where payment in instalments is authorised owing to the difficulty of depositing the full estimate amount in advance in the case of large works, the Divisional Officer should forecast his probable requirements on each such work for the succeeding month and apply to the local bodies concerned for funds and the latter should without delay pay the instalments to the Divisional Officer. The amount received should be credited in the accounts to the head 'Public Works Deposits' against which will

be charged all expenditure incurred up to the amount of the deposit. As regards expenditure in excess of deposit, see paragraph 396.

**NOTE.** 1. If prepared, the local body concerned may be authorised to pay the deposit direct into the treasury. In this case, the accompanying *chalan* should state clearly that the amount is creditable to the Public Works Department, naming the division and the work to which the deposit relates.

**NOTE.** 2. A local body which has a current account with the Government treasury may be authorised to draw a cheque on the treasury in favour of the Executive Engineer and this will be paid at the treasury by transfer credit to the Executive Engineer's account (P. W. Deposits). Similarly for the unspent balances, the Executive Engineer will draw a cheque in favour of the local body by transfer credit to the deposits of local funds.

**NOTE.** 3. In cases where the maintenance of roads on the banks of rivers canals and channels devolves entirely on local bodies, and the works pertaining thereto are executed by the Public Works Department as full contribution works, if the Executive Engineer considers it undesirable to suspend the works pending receipt of contribution from the local bodies, Government money may be spent in advance, interest being charged on the amount so spent. When this course is adopted, the procedure indicated in the last portion of paragraph 433 should be followed.

**437.** A consolidated record of the transactions of a month relating to all deposit works of the division should be prepared in form No. 60, Schedule of Deposit works. This schedule shows in respect of each work the amount of deposit received and the expenditure incurred, both during the month and up-to-date. Refunds of unexpended balances of completed works should be taken in reduction of the deposits, and therefore shown in the schedule as minus realisations and not as expenditure.

**438.** In the case of deposit works to which Government have contributed, no refund should be made to a local or other body from any unexpended balance at the credit of 'deposits' without the sanction of Government. The Executive Engineer should report through the Chief Engineer and the Accountant General the actual cost of the work, the shares to be borne by the local body and by Government, the amount actually contributed by each, and the amount refundable. After verification by the Accountant General, sanction will be accorded to the refund. The Executive Engineer should then refund what is due to the local or other body and credit the unexpended balance of the Government contribution to the department through the remittance head by a minus credit to the head 'Public Works deposits.' The Accountant General will adjust this amount by credit to the service head to which the contribution was originally debited.

*Exception.* In the case of water supply and drainage schemes financed partly by the local bodies and partly by the Government, the materials that remain surplus at the site of the works after their

completion, shall be taken over by the local body concerned. For the purpose of this transaction, the surplus materials shall be valued at 50 % of their book value. Of the amount so arrived at, a share proportionate to the local body's share of the total cost of the work, shall be treated as the local body's share of the credit realised by the sale of the materials and the balance shall be recovered from the local body; the former amount, should by book adjustment be exhibited as a minus credit to 'deposits' in the division accounts representing refund of unspent balance set off against a corresponding minus debit afforded to the same head as reduction of expenditure on the work. The amount actually recovered from the local body on account of the surplus materials should be credited in full to the Government share of the expenditure in the division accounts supported by a sale account in the proper form. The report or statement to be furnished to the Audit Office for verifying the correctness of the refund of the unspent balance should contain brief particulars of the adjustment of the value of the surplus materials to facilitate check in the audit office.

439. The amount of each deposit should be rateably divided into 2 parts, one representing the share available for works expenditure and the other the total amount chargeable as establishment, tools and plant and audit and accounts charges, if any, recoverable under the rules vide appendix II.

In the schedule, the deposit received for each work should be numbered as a single item, but the transactions relating to the two parts of it should be shown separately thus:—

For works expenditure.....

For percentage charges.....

440. The percentage leviable should be adjusted month by month as the works expenditure is incurred but the Accountant General may authorise the adjustment to be made once a year in the accounts for Karkatagom, provided that if the accounts of a work are closed in an earlier month the adjustment must be made in that month.

### C. OTHER WORKS.

#### I. General

##### *Kudipathi works.*

441. It is not imperative, as in the case of a deposit work, that the estimated cost of a kudipathi work, i. e. a work of restoration or repairs of an irrigation tank or channel, half the cost of which is leviable from the ryot under the provisions of the Irrigation Act, shall be deposited by the person or persons interested in the work, before any expenditure is incurred on it, as it is recoverable through the Land Revenue Department in the same way as Land Revenue.

**442. Deleted.****II. ACCOUNTS OF EXPENDITURE.**

**443.** The transactions relating to Kudipathi works should be accounted for like other Irrigation works under "10 Protective Irrigation—Original works" or "annual repairs" as the case may be in the first instance. On completion, the recoverable portion of the cost of such works as per completion report will be transferred to debit of the head "III Deposits and Advances not bearing Interest—Irrigation Advance" by credit to "10 Protective Irrigation—Deduct contribution recovered from ryots."

NOTE.—Kudipathi works should be written up separately in the Schedule of works expenditure—kudipathi works.

**444.** The accounts of all works of construction or special repairs of kudipathi works should be closed as soon as the work is completed. Ordinary maintenance and repair works should, however, be considered as completed on the last day of Karkatagom, each year, and expenditure thereon incurred subsequently should be accounted for as pertaining to maintenance of the following year, so that the transactions and balance relating to each year may be kept distinct and separate.

**445.** A list of all completed minor and major irrigation works should be submitted in duplicate by the Chief Engineer annually to Government in form A, P. W. A. No. 73. The statement should reach Government on or before the 10th Thulam of the year following.

In the case of minor works in progress a statement in form B, P. W. A. No. 73 of all minor irrigation works carried out by the Department should be submitted to Government annually so as to reach them on or before Chingom 10th following *vide* D. Dis. No. 1043/24/ Revenue dated 17-7-1924.

**III. RECOVERY THROUGH LAND REVENUE DEPARTMENT.**

**446.** The following procedure is prescribed for effecting recoveries through the Land Revenue Department, on account of the cost of individual kudipathi works, not covered by cash deposits received direct from the cultivators concerned :—

- (a) A certificate (or report) showing
  - (i) the full name of the work,
  - (ii) the name and address of the responsible cultivator or cultivators



- 
- (iii) the authority for undertaking the work,
  - (iv) the total expenditure incurred,
  - (v) the amount to be contributed by the cultivator or cultivators,
  - (vi) the amount (with full particulars) if any, received in cash,

and

- (vii) the net amount still recoverable, should be prepared, in duplicate, by the Divisional Officer on the completion of the work and sent to the Division Peishkar of the division concerned.

(b) On receipt back of the duplicate copy, duly accepted, the amounts accepted should be credited on the authority of it to "10 Protective Irrigation—Deduct contribution recoverable from ryots" by debit to "[III Deposits and Advances not bearing interest—Irrigation Advance" in the schedule of debits to miscellaneous heads of account P. W. A. form No. 68 as the Land Revenue Department will thereafter be responsible for effecting the necessary recovery.

---

## CHAPTER XV.

**Transactions with other Divisions and Departments.****A. GENERAL.**

**447.** The general rules under which one department of the public service may charge another department, for services rendered or articles supplied to it, are given in article 454 of the Financial and Account Code, and appendix 15 of the same.

(1)• Save as provided in rule 2 of 3rd para of appendix 15 to the Financial and Account Code, Volume II all charges connected with the construction and maintenance of buildings etc. will be brought to account as expenditure of the Public Works Department or of the civil department concerned according as the administration of the work rests with the Public Works Department or is transferred by competent authority from the Public Works Department to the department using or requiring it.

(2) The value of Public Works Stores issued to other departments is chargeable to them under rule VI of Appendix 15 of the Financial and Account Code, Volume II.

**448.** The cost of land acquired by the Land Acquisition Officer on behalf of the P. W. D. is chargeable in the accounts of the latter as part of the cost of the works for which the land is taken up; but when it is taken up for two or more non-commercial departments conjointly, the charge is not divided, but is wholly debitable to the departments for which the greater part of the land was taken up. As regards establishment and contingent charges in connection with such acquisition see Article 517 of the Financial and Account Code.

NOTE :—Law charges incurred in connection with the acquisition of land should be debited to the same head of account as the cost of land.

**449.** The rent of buildings hired for use as residence of Government servants of any civil non-commercial department is chargeable in the accounts of that department, when the hired residences are, under the orders of the Government, placed under its charge. When any land or building not belonging to the Public Works Department is hired by another department, to be occupied for any other public purpose, the rent is payable by the department concerned, and the Divisional Officers do not disburse rent for such premises unless ordered by the Government to do so.

**450.** When prison labour is employed on public works, the full market value of the work performed, as certified to by the Divisional Officer, is charged to the public works department by corresponding credit to the Jail Department at the rates worked out on the basis of the current schedule of the Public Works Department *vide* para 222 of the Public Works Department Code.

**451.** When any land or building is transferred from one department to another, the transfer shall be free of all charge, except when the property is transferred to or from a commercial department in which case the full market value of it will be charged.

**452.** Services may be rendered, or articles may be supplied, free of cost by one division to another (vide article 454 of the Financial and Account Code, Volume I) except in the following cases :—

(i) *Stores.* If they are issued from a stock or materials account (vide paragraphs 329 and 330) or if their transfer affects a work for which a separate capital or revenue account is kept.

(ii) *Other services.* If they affect the accounts of (a) any work for which a separate capital or revenue account is kept, (b) of a work in progress, (c) suspense or deposits.

**453.** Cash recoveries made from employees, contractors etc., by a division on behalf of other divisions or departments, should be passed on to them, the payment being made by book transfer unless payment in cash is prescribed by rule as sometimes happens, in the case of other departments. Cash obtained from treasuries on cheques and cash receipts (including surplus cash) remitted to treasuries are accounted for as remittance transactions.

## B. ACCOUNTS PROCEDURE.

**454.** When a transaction has to be cleared by a book transfer under the foregoing rules, the transfer should be effected by debiting or crediting it to the remittance head concerned in the cash or stock accounts if it appears therein or by an entry in the transfer entry book. See also paragraph 491 in respect of cash obtained from treasuries on cheques.

(1) Such percentage charges on account of storage and establishment and tools and plant as may be leviable under the rules should also be included by a transfer entry in the amount transferred—see also paragraph 413.

(2) The cost of workshop jobs need not be adjusted monthly vide paragraph 412.

**455.** In cases, however, in which the transaction originates in another division or department, the responding transfer should, as a rule, not be made until receipt of intimation of the original debit or credit either through the Accountant General's Office or direct from the division or department concerned on an advice of transfer debit or credit (paragraph 460). Exceptions to this rule may, however, be authorised by the Accountant General in respect of transactions of any class.

**456.** The responding division should examine every transfer advised to it for adjustment, but it may not reject a transfer because the voucher is not in order, or is missing, nor may a transfer advised be partly rejected; it may be rejected altogether if it does not pertain to the division; otherwise it should be provisionally accepted in full and the dispute, whether as to the amount chargeable or as to other particulars of the transaction, should be settled separately in communication with the officer, who advised the transfer.

**457.** When a charge is transferred to another division or department for adjustment, the transfer is required to be supported either by the necessary vouchers, complete in all respects or by advise from the Audit Officer to the effect that the payment vouchers have been duly audited and passed in accordance with the rules. The Divisional Officers are therefore responsible for obtaining proper vouchers in support of all charges to remittance heads in their accounts.

**458.** When a transaction originates in a public works division, the necessary transfer should ordinarily appear in the accounts of the division for the month in which the transaction occurred, but in the case of work done in workshops the cost is adjustable in accordance with the rules in paragraphs 411-413.

**459.** In respect of work done in a division for other divisions or departments, the intimation of the transfer will be given, after audit, by the Accountant General to the division or department for which the work is done. The division undertaking the work is responsible that the transactions are brought to account under the remittance head concerned, and that work accounts are maintained and vouchers submitted to the Accountant General in the same way as for works of the division itself. It will further be responsible that the estimate and appropriation for the work as communicated or accepted by the party for which the work is done, are not exceeded without further authority from it.

(1) For the purpose of this article work done includes jobs executed in workshops.

(2) In the case of works which are assessable to percentage recoveries on account of establishment, tools and plant, etc. the amount of the estimate and appropriation, for the work should be rateably broken up into two parts to represent respectively, the works expenditure and the percentage charges.

**460.** For other transfer transactions between public works divisions, the originating division should send an advice of transfer debit (or credit) form No. 51 accompanied by necessary vouchers

in the case of debits, to the division concerned as soon as the transaction occurs. The responding division should if it accepts the transfer, acknowledge it on form No. 52, Acceptance of transfer. The debiting division will be responsible that the entry in its accounts is supported by the acceptance of debit, or advice of credit, as the case may be.

(1) In cases of transfer debit transactions, all relevant vouchers including such as do not ordinarily pass beyond the division office, should accompany the advice. If this requirement cannot be complied with in any case, the advice should be attached to the monthly account for transmission by the Accountant General, after the audit of accounts, to the division concerned.

**461.** The Divisional Officer is required to examine, as expeditiously as possible, the transfers which the Accountant General or other Divisional Officers intimate to him to be responded to, and to report all his objections to the Accountant General, whether the transfer is brought to account provisionally or rejected.

**462.** Except in respect of transactions of the following classes, the Divisional Officer may authorise the Divisional Accountant to sign advices and acceptances of transfer for him ;

(i) when the transfer advised is a credit or a minus debit.

(ii) when the transfer accepted is a debit.

**463.** The Divisional Accountant will be responsible that there is clear authority of the responsible disbursing officers of his division for transfers advised to other divisions or departments, and that no charge advised by another division or department is considered as finally adjusted until all the necessary vouchers have been received and have further been completed by obtaining thereon from the responsible disbursing officers of the division the classification of the charge as attested by their dated initials. He should further see that when a transfer advised to the division for adjustment is responded to provisionally, the objection raised thereon is pursued with a view to ensure speedy settlement.

---

## CHAPTER XVI.

**Accounts Returns of Sub Divisional Officers.**

**464.** A Sub-Divisional Officer maintains the initial account records of cash and stores as described in chapters V and VI as well as a works abstract, with certain accompaniments, for each work in progress. All these records are, as a rule, written up as the transactions take place. A Sub-Divisional Officer is not, however, required to consolidate the transactions into a compiled account, this work being done in the Division Office for the entire division.

**465.** The initial accounts of cash and stores for a month should be closed on the dates fixed by the Accountant General's Office. The subsequent transactions of the calendar month should be treated as those pertaining to the accounts of the following month. In Karkatagom, the accounts should be kept open till the last day of the month.

**Rule 1.** The object of this rule is that the accounts returns of sub-divisions should reach the division office in sufficient time for the compilation of the monthly account of the division and its submission to the Audit Office by the prescribed date.

In cases where Section Officers are authorised to maintain initial accounts of stock in their charge, which have to be incorporated in those of the sub-division office, the former may be permitted except in Karkatagom, to close their monthly accounts three days before the date of closing fixed for the sub-divisions. This limit of three days may be relaxed by the Accountant General in exceptional cases.

**466.** Immediately after the cash book of a month has been closed under paragraph 465, the cash balance report, form No. 5, prepared under paragraph 145, should be transmitted to the Divisional Officer.

**467.** Copies of the cash book (supported by vouchers) should be sent to the Divisional Officer twice a month or oftener as may be directed by the Divisional Officer. The copy of the last period of each month should accompany the cash balance report.

(1) As the accounts of the division in respect of the cash transactions of sub divisions are based on the copies of sub division cash books prepared under this rule, Sub-Divisional Officers should satisfy themselves, before signing them, that they are true copies and correct in all respects. As a further precaution, the totals of the 'cash' columns on both sides should be expressed in words in their own hand.

**468.** Within three days of the date on which the accounts of a month are closed, the returns enumerated in items (a) to (d) below should be forwarded to the Divisional Officer with a covering letter. The return in item (e) should be submitted to the division office between the 10th and 15th of the following month.

(a) Abstracts of stock receipts and issues, form Nos. 9 and 10 supported by receipted invoices or other vouchers, and extracts from Register of stock receipts and issues (copies).

(b) Accounts of receipts and issues of tools and plant, form Nos. 13 and 14, supported by necessary vouchers and acknowledgements (in original).

(c) A works abstract (accompanied by materials at site account where necessary and by form No. 49 transfer entry order, in the cases referred to in paragraph 232) for each work in progress (vide paragraph 58) in connection with which there was any transaction during the month with a detailed list of such documents.

(d) Transfer entry orders, form No. 49, relating to the accounts of the month, excluding those proposed from time to time, vide paragraph 229.

(e) A certificate regarding the scrutiny of the materials at site account of minor works and repairs, vide paragraph 297 (ii).

**469.** Other accounts returns which sub divisional officers should submit to the division office are the following:—

(a) Monthly,

(i) Statement of receipts, issues and balance of road metal, P. W. A. form No. 16, vide paragraphs 220 and 221.

(ii) Such statements or reports (vide paragraph 256) in connection with recoveries of rents of buildings and lands as the Divisional Officer may require the Sub Divisional Officer to prepare.

(iii) Estimate of probable requirements of cash, if prescribed by the Divisional Officer under rule 1 to paragraph 115.

(b) Half yearly—Balance return of stock, P. W. A. form No. 11 on or before the 20th of Chingom and 20th Kumbhom.

(c) Yearly—Register of tools and plant, P.W. A. form No. 15, on or before the 15th Kumbhom.

(d) Occasional—Reports of verification of stores (including materials at site of works) immediately after each verification.

## CHAPTER XVII.

## Accounts of Divisional Officers.

## A. INTRODUCTORY.

**470.** The cash and stock accounts, of the Division Office for a month are closed on the last working day of the calendar month.

**471.** The transfer entry book for a month should be closed as soon as possible after the expiry of the month, but before this is done, all necessary transfers, e. g. those relating to the levy of the prescribed percentages for establishment, tools and plant, storage charges etc., should be made.

(1) The transfer entry relating to the levy of percentages for establishment, tools and plant, and accounts and audit charges, is effected on a single order of the Divisional Officer recorded in P. W. A. form. No. 58, the special form prescribed for the purpose vide paragraph 489.

**472.** The cash book and stock accounts of the entire division, as also all transfer transactions, should be scrutinised by the Divisional Accountant before they are incorporated in the monthly account and connected registers and schedules.

**NOTE 1.** The Divisional Accountant's responsibility as a primary auditor extends also to the examination of all claims included in bills presented direct at treasuries by the Divisional Officer, and on behalf of the latter he should also examine the accounts of the disposal of money obtained on those bills.

**NOTE 2.** In all matters connected with the personal claims of Government servants, the Divisional Accountant is expected to give expert advice and help. He should see in particular that service books of subordinates are maintained in accordance with rule, that the annual establishment return (Article 379 to 384 of the Travancore Financial and Account Code) is accurately prepared, and that the admissibility of leave applied for by subordinates is verified before their leave applications are disposed of by the Divisional Officer or forwarded to higher authority. In all cases of doubt, however, he should advise the Divisional Officer to consult the Accountant General.

## B. SCRUTINY OF ACCOUNTS.

**473.** The Divisional Accountant should examine the accounts returns of sub divisional officers on receipt to see—

- (i) that they have been received in a complete state,
- (ii) that all sums receivable are duly realised and on realisation credited to the proper head of account as well as to the personal account, if any, of the contractor, employee or other individual.



- (iii) that the charges are covered by sanctions and appropriations and are supported by complete vouchers setting forth the claims and the acknowledgments of the payees legally entitled to receive the sums paid,
- (iv) that all vouchers and accounts are arithmetically correct,
- (v) that they are in all respects properly prepared in accordance with the rule, and
- (vi) that all charges are correctly classified, those which are debitable to the personal account of a contractor, employee or other individual, or are recoverable from him under any rule or order, being recorded as such in a prescribed account.

It should be seen in particular that, on the basis of rates sanctioned by competent authorities, and of facts (as to quantities of work done, supplies made etc., or services rendered) certified by responsible officers, the claims admitted for payment are valid and in order.

(1) It is not necessary that the Divisional Accountant should check personally the arithmetical accuracy of all vouchers and accounts, but he is responsible that a cent per cent check is exercised efficiently under his supervision.

**474.** The Divisional Accountant should exercise a similar check, from day to day in regard to (i) the transactions recorded direct in the cash and stock accounts of the Division Office and (ii) bills and vouchers of sub divisions, which are submitted to the Divisional Officers for approval before payment is made by the Sub-Divisional Officer. In respect of charges, this examination should be conducted before the payment is made.

**475.** Every payment should be so recorded and a receipt for the same so obtained e. g. see paragraphs 281 and 285 that a second claim against Government on the same account is impossible, and if it represents a refund of a sum previously received by Government, it should also be seen that the amount paid is correctly refundable to the payee.

**476.** If the Divisional Officer has set a limitation on the drawings of any sub divisional officer on a treasury for any month, he should intimate the same to the Treasury Officer, and specify the date of commencement and termination of the account month of the Sub Divisional Officer. The Divisional Accountant while examining the cash book of the Sub Divisional Officer, should see that the total amount of cheques drawn by him during that month does not exceed the prescribed limit vide para 120.

**477.** The Divisional Accountant is responsible that every order or sanction affecting expenditure to be accounted for in the monthly account, is noted at once in a suitable register (or other account)

preferably one wherein the expenditure incurred against it can be watched readily. General sanctions to estimates and appropriations for works should be noted in the register of works. Sanctions to fixed charges of a recurring character e. g. those relating to the entertainment of work charged establishments should be entered in the register of sanctions to fixed charges, P. W. A. form No. 54. For sanctions to special payments chargeable to the accounts of works and other miscellaneous sanctions, P. W. A. form No. 55, register of miscellaneous sanctions, will be found suitable.

(i) Sanctions to estimates for works should be entered in the register of works, even though a collective register of all sanctioned estimates is maintained by the Divisional Officer for his own information.

**478.** If against a single sanction two or more disbursing officers have to operate simultaneously, the orders of the Divisional Officer should be obtained imposing a definite limitation on the money transactions of each officer. Similarly, if disbursing officers of two or more divisions are concerned, the orders of the Chief Engineer should be taken. In such cases it may be advisable to have a separate working estimate, or other sanction, to cover the transactions of each disbursing officer, and for the purpose of bringing the expenditure to account, these should be treated, as far as possible, as independent transactions pertaining to the same group of works or the same project. If this is not possible, special arrangements must be made for the check of the total expenditure against the sanction.

**479.** It is one of the functions of the Divisional Accountant to see that expenditure which is within the competence of the Divisional Officer to sanction or regularise is not incurred as a matter of course, under the orders of subordinate disbursing officers without his knowledge. All such items of expenditure should at once be brought to the notice of the Divisional Officer and his orders obtained and placed on record. See also paragraph 79.

**480.** When a recovery has been ordered to be made from a contractor or other person, which cannot be watched through a suspense or other account specially prescribed for the purpose, the order should be noted at once in the register of recoveries in P. W. A. form 86, opened specially for the purpose, so that the amounts recovered from time to time (with particulars of the accounts concerned) may be recorded against it, and prompt compliance with the order watched.

**481.** It is permissible to take in reduction of the expenditure on works in progress, certain receipts and recoveries of expenditure (vide paragraph 236) e. g. sale proceeds of surplus materials and plant acquired specially for any work, or of materials received from dismantled structures. The amounts of such receipts are, however

not available for expenditure in excess of that authorised in the estimate for the work, and the Divisional Accountant should see that, without orders of competent authority, the gross expenditure authorised is not exceeded or surplus receipts realised are not utilised towards additional expenditure. He should, at the same time, watch the receipts, with a view to bring to the Divisional Officer's notice and obtain that officer's orders on all marked deviations from the provision for such credits in the estimates of works

(1) In case of works the accounts of which are kept by sub-heads, all such receipts should be credited to a special sub head in these accounts vide paragraph 327. In the case of other works, the progress of the realisation of the receipts should be watched through the register of special recoveries (vide paragraph 480) which should be posted from sanctioned estimates in respect of credits anticipated therein, and from the accounts in respect of receipts realised from time to time.

(2) The Divisional Accountant should see also that savings due to abandonment of parts of a work, as evidenced by the quantities of the work executed or otherwise, are not utilised towards unauthorised expenditure.

**482.** After check every voucher should be enfaced 'checked' over the dated initials of the Divisional Accountant as well as any clerk who may have applied a preliminary check. Vouchers not submitted to audit (vide paragraph 503) should be 'cancelled' by means of a perforating or endorsing stamp and kept carefully, to be made available for test audit whenever demanded by the Accountant General.

(1) Stamps affixed to vouchers should be so cancelled that they cannot be used again, and if, with this object, they are punched through, care should be taken that the acknowledgment of the payee is not destroyed thereby.

(2) Vouchers relating to new supplies of tools and plant should be completed by noting on them the name of the month in the accounts of which the articles acquired were brought on to P. W. A. form No. 13, Accounts of receipts of tools and plant,

(3) Vouchers relating to contingencies which do not amount to more than Rs. 20 each should be dealt with in the manner indicated and a certificate in the form detailed in Article 448 of the Travancore Financial and Account Code written up.

**483.** The results of the examination of accounts and vouchers received from Sub Divisional Officers should be intimated to them in all cases in which it is necessary to obtain further information, accounts, vouchers, certificates, etc., or to direct them to correct the relevant records of their offices or avoid the recurrence of any irregularity. The procedure to be observed may be prescribed by the

Divisional Officer. The records connected with the results of the examination should be retained so as to be available for the Accountant General's inspection.

### C. SETTLEMENT OF ACCOUNTS WITH TREASURIES.

**484.** As soon after the expiry of the month as possible, monthly settlement should be effected with all treasuries in respect of the transactions of the entire division with them.

**485.** For payments into treasuries, consolidated receipts should be prepared in P. W. A. form No. 47 for the whole of the remittances made to each treasury, and sent to the treasury officers for signature.

**486.** For cheques drawn, the pass books duly completed for the month, should be obtained from the treasury officers with the certificates of issues from treasuries (which are prepared in the form reproduced below) and their agreement with the cash books of the division should be effected in part II of form No. 48, Schedule of monthly settlement with treasuries, which also gives details of the difference.

I hereby certify that the total issues made from this treasury on cheques drawn against the account of Mr ... .. Officer in charge.....Division during 11 amounted to Rs ... ..(in words).

The certificate of agreement should be recorded in the pass book over the signature of the Divisional Officer without recording any details of the uncashed cheques or other differences.

(1) The pass book or list of cheques cashed is written up in Treasury Code form No. 18. It should remain in the division office as an account record of the office and should be sent to the treasury periodically on fixed dates (at weekly intervals in the case of the treasury at the division headquarters) to be written up. The identity and the amounts of the cheques entered as cashed should be examined at the earliest opportunity, the pass book being initialled (and dated) by the Divisional Accountant in token of the check.

(2) P. W. A. form 48 is required for submission to audit in original, vide paragraph 501. The office copy of the details recorded in it should be signed by the Divisional Officer and carefully recorded.

**487.** As sub division cash books are closed before the last date of the calendar month, and the accounts of sub-treasuries are also not closed on that date, transactions recorded in the cash books of the P. W. D. for a month may sometimes be responded to by the treasury in an earlier or a subsequent month. This disturbing factor should be borne in mind. Differences which are neither due to this cause nor represent amounts of uncashed cheques should be settled expeditiously in consultation with the Treasury officer concerned.

---

## D. COMPILATION OF ACCOUNTS.

### I. *Monthly accounts.*

#### (a) *Schedule dockets.*

488. As cash vouchers and transfer entry orders relating to (i) charges on works other than percentages charged for establishment, tools and plant, etc., and (ii) other items of expenditure or disbursement for which a contingent bill is not required come to hand and are scrutinised, they should be posted into schedule dockets in form No. 57, a separate form being used for...

(a) Each work to be accounted in a schedule of works expenditure, P. W. A. form No. 59 or in the schedules of deposit works P. W. A. No. 60 and kudipathi works schedules.

(b) Each manufacture or other item of expenditure debitable to stock and to be accounted for in the schedule of debits to stock P. W. A. form No. 64.

(c) Each separate class of charges (including refunds of revenue) for which a schedule in any other form has to be prepared under the rules in this chapter.

Cash receipts which have to be taken in reduction of expenditure (vide paragraph 236) should be posted as refunds, with brief particulars of the transactions. At the end of the month the schedule dockets should be completed in respect of stock transactions by posting therein all the stock debits and credits of the month as recorded in the lower parts of forms 10 and 9, abstracts of stock issues and stock receipts respectively, omitting those brought to account through the cash book and the write back order book, vide rule 2 to paragraph 170. The total of the month's stock transactions relating to each schedule docket should be entered therein as a single figure, plus or minus as it is a debit or a credit, and if there are both debits and credits to be entered, the net result only should be posted. Thus in the case of the schedule docket for works, this figure represents the total issue of materials from stock to the work and the materials transferred from works to stock will appear as refunds under the heading 'transfer entries'. The schedule dockets should then be totalled and reconciled with the works abstracts in the case of works, and with the schedules concerned in the case of dockets of class (c) above. All the vouchers (including acknowledgments for stock supplied to contractors) transfer entry orders, survey reports, and sale accounts which are required to be submitted to audit (vide paragraph 503) should then be tacked to the respective schedule dockets which should be numbered in a separate series for each month.

(i) The audit of schedule dockets is conducted in the Accountant General's Office on the assumption that petty vouchers and initial stock accounts in support of the certified amounts of unvouched and stock charges have been duly audited by the Divisional Accountant in detail and are available for test audit. The Divisional Accountant is, therefore, personally responsible for the accuracy of these amounts as stated in schedule dockets.

(ii) Some of the schedules referred to in clause (c) above include charges for works supported by a schedule of works expenditure. Such charges and other transactions relating to the works expenditure should be posted in the schedule dockets for the works concerned.

**489.** For percentage recoveries made on account of establishment, tools and plant and accounts and audit and pensionary charges, a single schedule docket should be prepared embracing all Government as well as non-Government works on which these percentages may be leviable under rule.

When the Divisional Officer is on tour, this may be signed by the Divisional Accountant,

(b) *Registers and Schedules.*

(a) Expenditure on works.

(b) Expenditure on stock

(c) Transactions referred to in paragraph 498.

**490.** (a) All cash and transfer entry transactions of the month other than those noted above, should be posted, from time to time, into one of the schedules or registers named below, to which the transaction relates :

- |  |   |
|--|---|
| (i) Registers of revenue realised.   | All in form No. 45 (Paragraphs 252 and 253), a separate register being maintained for each major head and in the case of works for which a separate revenue account is kept, one for each separate system or project. |
| (ii) Registers of refunds of revenue   |   |
| (iii) Registers of receipts and recoveries on Capital Account.   |   |
| (iv) Registers of rents of buildings and lands, Account Form 21 (Paragraph 255) a separate register being maintained for each major head etc., as in respect of Nos. (i) to (iii). |   |
| (v) Schedule of debits to remittances  | Both in form No. 69.  |
| (vi) Schedule of credits to remittances  |   |

- |   |                        |
|---|------------------------|
| (vii) Schedule of debits to miscellaneous heads of account.   | } Both in Form No. 68. |
| (viii) Schedule of credits to miscellaneous heads of account. |                        |

(ix) Suspense register—P. W. A. Form No. 61 in respect of transactions falling under the heads 'purchases' and 'miscellaneous P. W. Advances', vide paragraphs 387 and 401.

(x) Deposit registers—P. W. A. Form 61, vide paragraph 429.

(xi) Schedule of deposit works—P. W. A. form No: 60, vide paragraph 437.

(xii) Schedule of Kudipathi works—Form No. 59, with modification, vide paragraph 443.

(b) Of these schedules Nos. (i) to (iv) and (ix) to (xii) have already been described in the paragraphs quoted against each.

(c) Schedule Nos. (v) and (vi) are schedules in which all remittance account transactions are collected, the entries being grouped under the headings given in Form No. 69.

(d) Schedules Nos. (vii) and (viii) are intended to collect all disbursements and receipts which do not pertain to any of the other schedules mentioned in this paragraph or to any of the works or stock expenditure schedules referred to in paragraphs 492 to 494. These transactions are adjusted finally in the books of the Accountant General, and ordinarily affect one of the non-public works major heads of revenue or expenditure (e. g. 'VII Taxes on Income' 'XV-Jails' '19-E-General Administration—Accountant General's Office' and '45 Miscellaneous').

(1) Incometax deductions from work charged establishment appear in the schedule of credits to miscellaneous heads of accounts. Percentage recoveries for accounts and audit on behalf of private parties and local bodies appear as credits or minus debits in the schedules of credits or debits to miscellaneous heads of account respectively according as the amounts are creditable to XXXVII Miscellaneous or 19-E-General Administration—Accountant General's Office. As regards other transactions, they should not be classified under the final or debt head concerned and shown in the schedules of credits or debits to Miscellaneous heads of account, unless the Accountant General has authorised this; ordinarily they should be classified by Divisional Officers under the remittance head 'Public Works remittances—other remittances' and included in the debit or credit form, as the case may be.

491. At the end of the month, the stock transactions of the month as recorded in the abstracts of stock receipts and stock issues, forms 9 and 10, excluding transactions brought to account (*vide* rule 2 to paragraph 170) through the cash book and the transfer entry book, should be incorporated in the schedules referred to in paragraph 490 and the schedules should be completed in all other respects.

(1) In the debit schedules 68 and 69 and in the deposit register should be posted, from the detailed schedules concerned, (*vide* paragraphs 492 and 493) the total amount of works expenditure chargeable to each head of account, division or office (see also paragraph 429) and (2) the total amount of the cheques drawn during the month should be entered in the credit schedule form No. 69 (Public Works Remittances—Public Works cheques)

492. (a) After a reconciliation has been effected between the totals of works abstracts and relevant schedule dockets, a schedule of works expenditure should be prepared in form No. 63 separately for expenditure relating to each of the following classes:—

1. Buildings, communications and miscellaneous public improvements
2. 10 Protective Irrigation
3. 10-C Irrigation (capital account)
4. 39 Maramat
5. 40 'Military works'
6. 11 Anchal capital works
7. Capital expenditure not chargeable to revenue separately for each project
8. Agency works—works done on behalf of civil departments.
9. Road development fund works.
10. Kudipathi works
11. All non-Government works other than department and kudipathi works for which separate schedules should be prepared.

(b) Only those works on which expenditure has been incurred during the month should be included in the schedule, the entries being detailed in the order of the prescribed heads of the accounts classification in the case of works of classes 1 to 4, 6 and 7 and grouped separately for each project in the case of works of class, 7. All works forming part of a single project or system should in all cases be grouped together.

493. The schedule of deposit works and the schedule of kudipathi works should be completed in respect of expenditure transactions, which should be taken from the relevant schedule dockets.



**494.** All debits to stock should be collected in form No. 64 schedule of debits to stock. The entries in this schedule should be arranged in four groups:—

- (i) 'Manufacture'
- (ii) 'Land', kilns etc.,
- (iii) 'Storage' and
- (iv) 'Other sub heads'

Under (i) should be detailed all manufacture operations in progress and under (ii) all works in progress in connection with the acquisition, construction and repairs of land, kilns etc., under (iii) should be shown the expenditure which is incurred after the acquisition of stores, on work charged establishments employed on handling and keeping initial accounts, the custody of stock and the maintenance of stores godowns or yards etc. Under (iv) should be shown (a) individually all items of expenditure on the carriage, handling etc., of stock materials when the cost of such processes is chargeable to sub head of stock under which materials are classified (*vide* paragraphs 183 and 364) (b) individually, all items of acquisition of stock materials, for which an estimate is required under rule, and (c) collectively all other items of acquisition of stock materials.

NOTE. 1. If the Divisional officer is specially authorised by Government to sanction the carriage, handling, etc., charges up to a specified money limit, it will devolve upon the Divisional Accountant to conduct the audit of individual items of expenditure against the Divisional Officer's sanctions but all items of this class should be detailed in the schedule.

NOTE. 2. In respect of each manufacture operation, the out-turn of the month (*vide* paragraph 370) should also be shown in the schedule, the operation and out-turn being entered into two separate lines.

**495.** An account of the suspense head 'stock' should next be prepared in form No. 65 stock account. Part I of this form is the main account showing the receipts, issues and balances, classified by sub heads, separate figures being given in respect of the sub heads 'manufacture' and 'land, kilns etc.' and storage and all other sub heads (*vide* paragraph 391) being lumped up. Part II, the detailed account of issues, is written up first, and from this part and the schedule of debits to stock, form No. 65, is prepared Part I.

(c) *Classified Abstract of Expenditure.*

**496.** A consolidated account of all expenditure (*vide* paragraph 70) charged against the grants of the division should be prepared in form No. 66, classified abstract of expenditure. The figures relating to the several major heads or divisions thereof, shown separately as in Appendix I, should be entered in separate sections, arranged in the order indicated in Appendix I.

(1) When works for any of the departments detailed in paragraph 492 (a) are undertaken and funds for the purpose are allotted to the division, the expenditure transactions connected therewith should also be abstracted in form No. 66, the classification of expenditure being that prescribed in respect of the works concerned, *vide* rule 1 to paragraph 67.

(2) Refunds of revenue are excluded from this abstract as they are treated as minus revenue, *vide* paragraph 250 and Appendix I. On the other hand, 'receipts and recoveries on capital account' are included in this abstract as minus expenditure as they are taken in reduction of the charges under the major head concerned, *vide* statement A of Appendix I.

(d) *Preparation of monthly account.*

497. Finally, should be prepared, for presentation (with all supporting registers, schedules, vouchers, etc.) to the Divisional officer and submission to audit, the monthly account in form No. 72. This account is an abstract of the entire receipts and disbursements of the month, as detailed in the various schedules and registers, and shows also the opening and closing cash balance, and on the back of the form are printed (i) a memorandum of miscellaneous cash receipts paid into treasuries, and (ii) a certificate in respect of the closing cash balances of subordinate disbursing officers. The entries in the account are divided into three groups:—

- (i) Revenue entries, which are the total receipts under the several major heads, as taken from the registers of revenue realised, form No. 45.
- (ii) Expenditure entries, which are the totals for the several divisions of major heads and are posted from the classified abstract of expenditure, form No. 66, and
- (iii) Other heads, entries in which representing both receipts and disbursements, are posted from the schedules of deposits, kudipathi works, agency works, remittances and miscellaneous heads of account, forms 70 or 71, 69 and 68.

(1) The totals of the columns for receipts and disbursements must agree and if there is any difference due to cash being in transit between two disbursing officers, its amount, etc., should be included in the closing balance and the certificate of cash balance should be amplified so as to state the amount and the steps taken to adjust the difference.

498. (a) There are certain transactions recorded in the initial cash and stock accounts, which involve no operation on a revenue,

expenditure or any other prescribed head of the accounts classification, as every such entry is counterbalanced either at once or after an interval, by a similar entry of the reverse character. It is not necessary to include such transactions for audit purposes, in any of the schedules and registers leading to the monthly account, but the Divisional Accountant should see that all transactions are cancelled by each other in due course.

(b) These transactions fall under two classes:—

(i) *Cash from treasury.* A cheque drawn to replenish the cash chest is charged to this head in the cash book and per contra the amount of the cheque is entered at once as cash received under the same head, a cheque drawn in favour of self being cash (*vide* paragraph 108) even though not cashed at once.

(ii) *Transfers within division.* Remittances of cash and stock by one accounting officer of the division to another, are charged or credited to this head when the remittance is actually made or received.

**499.** When the monthly account does not balance and the discrepancy cannot be detected readily, it may be advisable to write up independently an abstract book, from the original cash books, abstracts of receipts and issues of stock, and the transfer entry books and thus to locate the error or omission.

**500.** It will be seen that all the transactions of the division, as recorded in the initial accounts of cash and stock and in the transfer entry book, excluding items referred to in paragraph 498, enter one or other of the prescribed schedules, the details being in some cases recorded in supporting schedule dockets. Transactions recorded in the cash book and the transfer entry book are posted direct from those sources, no items being omitted; but those recorded in the initial accounts of stock, forms 8, 9 and 10 are dealt with as under;—

(a) Those brought to account through the cash book or the transfer entry book (*vide* paragraph 170) *e. g.* stock purchased in cash, stock sold for cash, and stock received from works are left out and

(b) the rest are posted direct, from the abstracts of stock issues, forms 9 and 10.

To ensure the accurate compilation of accounts, it is essential that the transactions referred to in (a) above are not brought to account twice, and the Divisional Accountant should see that all items of this class are correctly separated off in the lower part of the abstracts of stock receipts and stock issues, forms 9 and 10 as prescribed in rule 2 to paragraph 170.

*(e) Submission to Audit.*

**501.** The monthly account is due to reach the Accountant General on or before the 10th of the month following that to which it relates. It should be supported by the following documents.

1. Extracts from the register of re-venue realised, P. W. A. form 45 and In the same form as the register.
2. Extracts from the registers of re-funds of revenue, P. W. A. form 45.
3. Classified abstract of expenditure, form No. 66
4. Schedules of works expenditure, form No. 59
5. Schedule docket of percentage recoveries, form No. 58
6. Stock accounts, form 65, with sale accounts, form 19, in support of the cash credits to stock.
7. Schedule of debits to stock, form No. 64
8. Schedule of purchase, form No. 62 Extracts from the relevant sections of the suspense register, form No. 61.
9. Schedule of Miscellaneous P. W. advances, form No. 63
10. Schedule of workshops suspense.
11. Extracts from registers of receipts and recoveries on capital account, form No. 45 In the same form as the registers.
12. Schedule dockets, form No. 57 (with necessary vouchers, transfer entry orders, survey reports and sale accounts tacked to each)

13. Schedules of credits and debits to miscellaneous heads of account, form No. 68
  14. Schedule of credits and debits to remittances, form No. 69
  15. Schedule of monthly settlement with treasuries, form No. 48 (with supporting consolidated treasury receipts and certificates of issues, signed by treasury officers)
  16. Schedule of deposits, form No. 70 or 71 extracted from the deposit register form No. 61
  17. Schedule of deposit works, form No. 60 (with reports of progress of expenditure)
  18. Schedule of kudipathi works form No. 59 suitably modified, with accepted certificates of Division Peishkar referred to in paragraph 446 of this Code.
  19. Extract from account of receipts of tools and plant, form No. 13
  20. Extract from the accounts of issues of tools and plant, form No. 14 (with supporting survey report of stores, form No. 18, sale accounts, form No. 19, acknowledgments of officers concerned in the case of stores transferred to other officers not being Divisional Officers and treasury receipts
  21. Schedule of boat rents or license fees, P. W. A. form No. 104
  22. Extract from contractors' ledger, form No. 42 prepared in P. W. A. form No. 74
- In the same form as the accounts.

**23.** Schedule of rents on buildings and lands

**24.** Completion reports for works due to the Accountant General for works completed

**25.** List of accounts submitted to audit, form No. 75

(1) The Divisional Officer is required to make a formal report, periodically, of the progress of expenditure on a deposit work, to the administrator or depositor concerned. For this purpose a report in form P. W. A. No. 82 setting forth, the amount of the estimate the total deposits received, and the progressive expenditure, should accompany the schedule of deposit works, so that the Accountant General may, after auditing the schedule, verify the report and forward it to the local body or persons concerned. Several works relating to the same depositor may be included in one report.

(2) If the Divisional Officer is authorised, to refund, without reference to higher authority, fines which have been remitted by a court of law, the original orders of the court should accompany the schedule of refunds of revenue, as the audit of the refunds made in such cases is conducted by the Accountant General on the authority of the orders of the court.

(3) In the case of projects under construction, the schedule of works expenditure should show total expenditure to date on each of the heads subordinate to the minor heads (e. g.) head works, main canals and branches. etc., as also the total amount of the estimate for comparison. As regards revenue accounts, the expenditure under 'extensions and improvements' and 'maintenance and repairs' should be arranged by works under the several detailed heads.

(4) The expenditure on the maintenance of each staff boat should be separately shown in the schedule so as to enable a check of the annual statement showing the working of the staff boats.

**502.** The schedules relating to the suspense and deposit accounts, forms 62, 63, 65 and 70 and the workshops suspense schedule, must be submitted to audit, month after month, so long as there are balances outstanding under the account concerned, whether there have been transactions during the month or not; but, in respect of purchases and deposits, the Accountant General may authorise the use of the alternative forms of schedule numbers in the case of divisions where the number of outstanding items is

very large, but the number usually affected by the monthly transactions is small. In respect of the schedule of the deposit works form No. 60, the Accountant General may dispense with the submission every month of part II of the schedule. Subject to these exceptions, the remaining schedules are necessary only if there have been any transactions during the month.

**503.** (a) With the exceptions noted below (as to which, however, see clause (b) below) all vouchers and transfer entry orders in support of cash payments and other charges in the accounts must accompany the monthly account :

(i) Muster rolls or other vouchers in support of payments to labourers irrespective of amount,

(ii) Vouchers in support of wages to members of the work charged establishment, the posts held by whom the Divisional Officer is authorised to sanction,

(iii) Other cash vouchers, relating to works, the amount of which do not exceed Rs. 20.

(iv) Invoices or other vouchers in acknowledgment of issues of stock materials including issues of out-turn from manufacture to stock.

(v) Vouchers in support of payments made for the conversion of cash deposits into interest bearing securities, in cases in which no voucher other than the security itself or a safe custody certificate of the security exists.

**NOTE:** When a voucher of this class is not submitted to audit the reasons should be noted against the entry of its amount in the schedule docket or in the schedule of works expenditure.

(vi) Transfer entry orders of the classes enumerated below

Those involving debits to remittance heads otherwise than in respect of expenditure on works.

Those relating to charges which are supported by vouchers received in transfer.

Those involving a credit to a revenue head (gross receipts) or to any miscellaneous head of account otherwise than in respect of expenditure on works.

(b) All vouchers (other than muster rolls) in support of debits to contractors should be submitted to audit, even though falling under any of the exceptions to clause (a).

**NOTE : 1.** The provisions in clauses (a) and (b) of this paragraph apply also to vouchers received from other divisions or departments in support of transfer debits raised by them,

**NOTE 2.** The term 'voucher' used in clause (a) includes advices of transfer credit and acceptances of transfer debits received from other divisions, departments etc., in the case of the docket for schedule of debits to remittances.

(c) All vouchers in support of payments for land acquired should be submitted to audit.

(d) All survey reports of stores (form 18) and sale accounts (form 19) must also accompany the monthly account. Sale accounts in support of cash credits to stock should be attached to the stock account form No. 65, survey reports and sale accounts in support of other credits to stock should be tacked to the schedule dockets pertaining to the works or accounts debited; those in support of the extract from account of issues of tools and plant form 14, should accompany that document and the remaining survey reports and sale accounts should be attached to the schedule dockets relating to the works or accounts credited.

**504.** The Divisional Accountant is required to sign not only the monthly account, but also all the schedules, etc., accompanying it. It is not necessary that the Divisional Officer should sign all these documents; he must, however, sign the monthly account, the schedule of monthly settlement with treasuries form No. 48 and the list of accounts form No. 75, unless he is absent from headquarters, in which case he should send to the Accountant General, as soon as he can examine his books and papers on return, a report in form No. 76 (with a duplicate copy of the monthly account the schedule of monthly settlement with treasuries signed by himself) without which the Accountant General will not finally pass the monthly account. The contingent bill must invariably be signed by the Divisional Officer.

In cases in which form No. 58 is signed by the Divisional Accountant under paragraph 489, the Divisional Officer should on return to headquarters send to the Accountant General in form No. 76 a duplicate copy of it signed by him.

1. It is desirable that the Divisional Officer should make arrangements for the review himself of all vouchers before they are submitted to audit, and that, unless the circumstances are exceptional, he should sign the accounts himself.

**505.** In connection with the accounts for Karkatagom, the following points should receive special attention :—

(a) The entry of the closing cash balance should be supported by (1) the original cash balance reports (form No. 5) of all disbursing officers including the Divisional Officer, and (2) a certificate of the Divisional Officer to the effect that he has obtained, on or after



the last day of Karkatagom, and retained in his office an acknowledgment from the officer or subordinate concerned, in respect of each item of imprest or temporary advance shown in the cash balance reports of the division for the last day of Karkatagom.

(1) The original cash balance reports of subordinate disbursing officers should be initialled by the Divisional Officer before transmission to audit.

(b) To part II of the schedule of monthly settlement with treasuries, form No. 48, should be subjoined a statement, in the form given below, in respect of the cheques drawn to meet payments of works.

Particulars.	No. of cheques issued.	Account
1. For the whole month..	...	...
2. During the last five working days of the month ...	...	...

(c) The schedule of deposits form No. 79 or 71 should be accompanied by the account of interest bearing securities, P. W. A. form No. 78 referred to in paragraph 431.

## II. *Review of unsettled accounts.*

**506.** The several registers and schedules relating to the sus-

Contractors' ledger,  
works Abstract and  
Register of works.

Rent registers and  
the other records of  
assessment and real-  
isation of revenue, re-  
ferred to in paragraph  
237.

pense and deposit heads of accounts, and the accounts referred to in the margin, should be reviewed monthly so that the steps necessary to effect the expeditious clearance of outstanding balances, whether by actual recovery or by adjustments in the accounts may be taken regularly throughout the year. In Mithunam or early in Karkatagom, special steps should be taken with a view to bring about all possible reduction in the number and amounts of outstanding items at the close of the year; and within six weeks of the submission of the monthly accounts for Karkatagom, a consolidated certificate in respect of balance, other than cash, should be forwarded to the Accountant General in P. W. A. form No. 83, Annual Certificates of Balances.

(1) If the closing balance under any head is nil, it does not necessarily follow that a certificate is not required in respect of it. In all cases in which there was a balance at the commencement of the year, or there were any transactions during the year, a certificate should be recorded, the wording of it being suitably amended (if necessary) in case the closing balance is nil.

**507.** Similarly, the prompt settlement of all remittance transactions, original or responding should receive the personal attention of the Divisional Accountant (*vide* paragraph 103) who should take special steps early in Karkatagom to bring to account all liabilities and assets awaiting settlement and to effect clearance, in the accounts of Karkatagom, of as many outstanding items as possible. Liabilities, as well as outstanding debits and credits, remaining unadjusted at the end of Karkatagom should be watched individually with a view to their clearance before the accounts of the year are finally closed. It is not sufficient that the division office has brought to account all the transactions the responsibility for which devolves on itself. It is equally important that necessary action be taken to move the other parties concerned to bring to account or settle the outstanding items, the intervention of the Accountant General being sought when necessary.

### III. *Closing the accounts of the year.*

**508.** The financial year terminates on the last day of Karkatagom, and actual transactions taking place after that date can on no account be treated as pertaining to the year. It is necessary, however, that as many of the unadjusted remittance transactions of the year as possible, should be cleared within the accounts of the year, and very often errors in account come to notice after the last day of Karkatagom which should be set right if possible without affecting the accounts and estimates of the following year; whilst therefore it is necessary that the cash accounts should be positively closed on the last day of Karkatagom, and also the stock accounts in respect of actual transactions, the Transfer Entry Book and the stock accounts should be kept open for transfer entries relating to rectification of errors and settlement of remittance accounts.

(1) If any adjustments in accounts have been purposely deferred till the close of the accounts of the year, it is permissible to effect them after the last day of Karkatagom, in the same way as adjustments in rectification of errors noticed after that date.

**509.** The transfer entry transactions referred to in paragraph 508 should be consolidated into a monthly account, which, with all the necessary accompaniments, should be submitted to audit on the 1st day of Thulam following. This account is known as the supplementary account of the year.

(1) This account should be of the simplest character and should set forth only the transactions to be brought to account. It is not necessary, for instance, to repeat in any of the suspense or deposit schedules, the items not affected, so long as, in addition to the necessary details of the items affected the totals for the account concerned are also given. Similarly, in the schedule of rents on buildings and lands form No. 67, only the items affected and the totals need be given, and in the extract from the contractors' ledger, form 74, only the accounts of those contractors whose accounts are affected in any way.

#### IV. *Miscellaneous returns.*

**510.** Other account returns which the Divisional Officer should submit to the Accountant General are the following:—

(a) Half yearly,

half yearly registers of stock, form No. 12 on or before 1st Thulam and 1st Medom.

(b) Annually,

Register of tools and plant, form No. 15 on or before 15th Medom.

(c) Certificate of monthly reconciliation of the ledger and book balances in respect of each sub head of stock in the P. W. workshops by the 10th of the second month succeeding the month to which the accounts relate.

#### V. *Corrections in Accounts.*

**511.** If an item in the accounts which properly belongs to a revenue or expenditure head is wrongly classified under another revenue or expenditure head, the error may be corrected at any time before the accounts of the year are closed, but after the accounts are closed, no correction is admissible except as permitted in paragraph 354 of this Code.

(1) Errors in suspense accounts are governed by the rule in clause (b)

(2) If an error be detected after submission to audit of the Divisional Officer's supplementary account of the year, it should nevertheless be reported to the Accountant General for instructions, unless the amount be not more than ten rupees.

(b) All errors affecting debt (including suspense) and remittance heads must be corrected, however old they may be.

(c) When a correction is permissible it should be made by a formal transfer entry; but when it is not permissible, it is sufficient to make a suitable note of it in the account concerned.

**512.** All corrections in accounts which may be advised by the Accountant General on auditing the documents, should, after verification, be carried out in all relevant records, the entries being made in red ink (except in the audit note or other advice) and attested by the dated signature of the Divisional Accountant.

(1) The Divisional Accountant is responsible that all corrections advised by the Accountant General are specially brought to the notice of the Divisional Officer.

#### VI. *Pro-forma Accounts.*

**513.** When the details of any class of transactions as recorded in accounts, are not sufficiently indicative, of the financial results of the operations of a given period, and it is necessary to ascertain the results, it is usual to prescribe periodically suitable pro-forma accounts in addition.

(1) If a pro-forma account relates to transactions of two or more divisions, the compilation of it will ordinarily devolve upon the Accountant General; but Divisional Officers may be required to furnish the necessary data. A pro-forma account relating to a single division is prepared by the Divisional Officer and if it is an account prescribed by an administrative authority, it will be checked, if desired, by the Accountant General.

(2) If the maintenance of such supplementary accounts is necessary for audit purposes and no form has been prescribed by the Accountant General, the Accountant General will determine the required forms in consultation with Government, but if the accounts are required for administrative purposes, the Accountant General will merely give such advice or assistance in prescribing the forms as may be required of him.

**514.** If for the purpose of any pro-forma account which the Accountant General is required to prepare or check, it is necessary to determine the charges incurred on a particular work or service or a group of works or services, the expenditure thereon should be booked separately in the general accounts, even though, under rule, it may not be customary to estimate or account for such expenditure separately, see also paragraph 71 (d).

**515.** The pro-forma accounts showing the results of the working of irrigation, navigation, embankment, water supply and drainage projects productive as well as unproductive, for which capital or revenue accounts are kept, are prepared annually by the Accountant General.

**516.** For workshops, manufactories and similar quasi-commercial undertakings, it is usual to prepare pro-forma accounts periodically, vide paragraph 374 (d) and 415.

**517.** In respect of buildings in charge of the P. W. D. which are available for occupation as residences, capital and revenue accounts are prepared triennially by the Accountant General, in accordance with the rules and orders issued by Government. For this purpose, Divisional Officers should furnish the Accountant General annually with the necessary data in respect of such buildings of their divisions as may have to be included in the accounts.

(1) On closing the account of a work involving expenditure on the construction, acquisition, or equipment of a building intended to be used as a residence, or expenditure on additions and alterations to an existing residential building, the Divisional Accountant should see:

(i) that if it is a new building, it is entered in the register of rents of buildings and lauds,

(ii) that steps are taken to obtain the orders of competent authority to assess, or revise, the rental, as the case may be,

(iii) that the correct capital cost of the building is noted for entry in the next set of capital and revenue accounts, the note being made in the register of buildings referred to in paragraph 404 of the P. W. Department Code.

(2) Rule (1) applies also to expenditure on the provision of special services in connection with residential buildings such as furniture etc., for which rent is charged separately.

(3) If a building is actually occupied prior to closing the accounts of expenditure on construction, acquisition or equipment, rent is nevertheless chargeable from the date of occupancy and should, therefore, be fixed provisionally with the sanction of competent authority.

#### *E. Cheque books and Receipt books.*

**518.** (a) Register of cheques (and receipts) books should be kept in Account form No. 5, separate pages being reserved for cheque books, permanent and temporary receipt books.

(b) Whenever on examining a cash book it is noticed that a cheque book or receipt book has been brought into use for the first time, the Divisional Accountant should enter it at once in the register as a new item. At the same time, the date on which the corresponding book previously in use was completely written up should be ascertained from the cash book and noted in column 4 of the register against the original entry relating to the book.

(c) The submission of the counterfoils of used cheque and receipt books for record in the division office (*vide* paragraph 154) should be watched through this register and as soon as the counterfoils are received they should be examined and it should be seen

in particular (i) that all items for which receipts were issued were duly brought to account in the cash book and (ii) that the writings do not indicate any irregularity or disregard of rules requiring action on the part of the Divisional Officer.

NOTE.—The term 'receipt book' used in the above paragraph applies both to permanent and temporary receipt books. The blank space provided in the counterfoils of the temporary receipt books for filling in the number and date of the corresponding permanent receipt should invariably be filled in before the submission of the counterfoils for check in the division office.

**519.** The register of cheque (and receipt) books should be reviewed periodically and enquiries should be made of the disbursing officer concerned if there is any unusual delay on his part in bringing a book into use. Even if the cause of the delay be known, it will be found advisable to obtain an assurance from the disbursing officer that the book is in his personal custody and contains the full number of forms intact.

#### F. *Miscellaneous matters.*

**520.** When a Divisional Accountant is about to be relieved of his duties in a division office, either permanently or temporarily, he should prepare a memorandum reviewing the accounts of the division. The state of the stock and other suspense accounts of works should be reviewed in particular. All important liabilities, as also recoveries to be made from the staff or from contractors and others which should receive special attention, should be mentioned. Any arrears or defects in the working of the division office or subordinate offices rendering accounts to it should be specified, with a statement of the remedies applied or contemplated. Other points requiring the special attention of the relieving accountant, whether in regard to the initial or compiled accounts or to objection statements and audit notes received from the Audit Office, should also be set forth in detail.

The memorandum should be in a tabular form with columns for (i) remarks by the relieving accountant, (ii) remarks by the Divisional Officer and (iii) orders of the Accountant-General.

The relieving accountant should examine it when taking over charge and promptly forward it with his remarks to the Accountant-General through the Divisional Officer who will record such observations as he may consider necessary.

**521.** Divisional Officers are advised to review from time to time the several registers, books and accounts as are maintained in the division and sub-division offices even though under the rules in this Code they may have scrutinised and initialled the individual entries

or sets of entries therein. To this end they may require these records be laid before them through the Divisional Accountant, monthly or at such other intervals as may be fixed by them. The fact of such review should be placed on record in all cases preferably in form No. 84 and posted in a suitable position on the account etc., concerned.

**522.** When in consequence of the reconstitution of executive charges or of any other arrangements, the accounts of two or more division offices are to be amalgamated or those of any office are

(i) Works in progress and suspense accounts of works.

(ii) Appropriation and sanctions not yet completely operated upon.

(iii) Stock and other suspense accounts.

(iv) Remittance accounts.

(v) Deposits and cash balances.

(vi) Unrealised rent & other revenue, and

(vii) Interest bearing securities.

either to be broken up into parts or closed, the Divisional Officers concerned should apply in time to the Accountant-General for the instructions to be observed, in regard to accounts, in giving effect to the arrangements. On all such occasions, the necessary transfer between offices of unsettled accounts (for example, see margin) of liabilities not yet brought to account, of quantity accounts of tools and plant and road metal, and of relevant account and establishment records (including unused forms of cheque books and receipt books) should receive the special attention of all concerned.

**523.** The destruction of account records in P. W. Offices is governed by the rules in paragraphs 171 to 175 of the P. W. Department Code. The Accountant-General should be consulted and his orders obtained before destroying them. In each division office full details of all records destroyed from time to time should be maintained permanently in the prescribed form.

## CHAPTER XVIII.

## Pay, Allowances and Contingencies.

**524.** The pay and allowances of Government servants of the department not charged directly to works, as well as all personal advances sanctioned by competent authority, are drawn from treasuries on bills in forms and in accordance with the rules, prescribed in chapters VIII, IX, X, XI and XV of the Travancore Financial and Account Code Volume I and Appendix 14 of Volume II, which are applicable to the P. W. D. subject to the special rules laid down in this chapter and in the P. W. Department Code.

NOTE :—The sanction of competent authority to personal advance may, if preferred, be obtained in the form of countersignature on the bill itself before it is presented at the treasury.

*Preparation of Bills.*

**525.** Bills paid at treasuries are incorporated in the general accounts of the State by the audit office. Drawing officers are, however, responsible that the major head and other particulars necessary for determining the accounts classification are recorded in each bill.

NOTE :—The cost of any special establishment for acquisition of land, entertained under orders of Government by a civil officer acting as a Public Works disburser is chargeable as the cost of the works concerned and not as general establishment charges (vide Article 517 of the Financial and Account Code and Note 3 to paragraph 260 of this Code.)

**526.** If as permitted by Article 293 exception (b) Financial and Account Code, emoluments up to the date of transfer are not drawn before a Government servant proceeds on transfer, emoluments for the whole month may be drawn in the new appointment, the allocation of the charge to the old and new appointments being clearly specified on the bill.

NOTE.—In the case of non-gazetted Government servants, the last pay certificate should give all the necessary information, so that the allocation may be correctly noted by the drawing officer in the bill of the new office. In the case of gazetted Government servants whose last pay certificates are prepared by Treasury Officers (or by the Accountant-General when it is paid from the P. A. D.) the responsibility for showing the correct allocation in the bills rests with the officers themselves.

*Encashment of bills.*

**527.** Non-gazetted Government servants' bills should be presented at the nearest treasury for payment. They should be accompanied by a memorandum signed by the drawing officer and specifying separately the amounts of (a) cash required for disbursement and remittance to be made in cash, (b) cash orders required on each of the sub-treasuries subordinate to the Divisional Treasury, for



payments to be made to establishments stationed near the sub-treasuries and (c) remittance transfer receipts on other Divisional Treasuries for amounts which may have to be disbursed outside the Division but within the jurisdiction of the drawing officer.

NOTE.—The Executive Engineer of a division may in place of the system of obtaining cash orders on sub treasuries for payment to establishments stationed near the sub-treasuries (as in item (b) above) adopt the system of presenting separate bills for such establishments direct at sub-treasuries. But one or other of these two systems must be followed throughout each division and not both.

### *Distribution of pay and allowances.*

**528.** Special attention is invited to Article 409 of the Financial and Account Code, prescribing the procedure for distribution of pay and allowances to establishments. Acknowledgments should, as far as possible, be taken on office copies of bills but where this may not be convenient or advisable, as in the case of scattered establishments, consolidated receipts on acquittance roll, form 13 of the Financial and Account Code, may be obtained separately for each set of payments made at one place or at one time.

NOTE. Acquittance rolls and receipted office copies of bills are not required to be submitted to the Audit Office, but as they are important records, they should be stamped 'paid' and preserved carefully.

**529.** Cash drawn on pay and travelling allowance bills of establishment should not be mixed with the regular cash balance of the department. The disbursement of cash drawn on pay and travelling allowance bills of establishment should be watched by maintaining an account in Account from No. 15 in all P. W. D. Offices vide para 188 (2) of the Financial and Account Code. The account should be in charge of the cashier or other person in charge of the office cash book and should be signed by him after each day's transaction. The manager of the office should verify the balance and record the result as often as possible.

NOTE. 1. This rule applies also to cash received by a subordinate officer for payment of pay and allowances of Government servants serving under him.

NOTE. 2. The entries made in the Anamath Register maintained in sub-division offices need not be included in the anamath register to be maintained in division office.

### *Miscellaneous recoveries from establishment.*

**530.** Ordinarily, recoveries on account of security deposits of employees should be made in cash when their pay is disbursed and should be credited in the cash book of the disbursing officer. When the amounts recovered have to be paid into an Anchal Office Savings Bank as security deposits, they should be forthwith remitted to the Anchal Office.

NOTE. The rule in this paragraph applies *mutatis mutandis* to all recoveries from employees which are creditable, under the rules, to some head in the compiled accounts of the division.

*Communication of sanctions to Audit.*

**531.** In the case of all transfers of division, sub division or other executive charges, a report of transfer of charge should be prepared in the manner prescribed in articles 370 and 373 Financial and Account Code and sent to the Audit Office through the Chief Engineer.

*Contingent charges.*

**532.** Cash required to disburse contingent charges is obtained from treasuries directly by bills, i. e. in the same way as cash required for payment of pay and allowances.

**NOTE.** Under this method the charges do not enter the division accounts at all, though ultimately in the Audit Office they are charged against the appropriation to which they relate.

**533.** The rules in chapter XI of the Financial and Account Code, Volume I and Appendix 14 of Volume II, apply generally to the P. W. D. to the extent that they may not be inconsistent either with the authorised method of obtaining cash for contingent charges or with any of the special rules in this Code.

*Special Rules.*

**534.** The following special rules are applicable, as regards contingencies.

(a) The procedure prescribed in the Financial and Account Code for drawing bills direct on the treasury, for keeping the accounts, of cash obtained on the bills and for making disbursements applies in *toto*.

(b) Contingent bills may be drawn by the Divisional Officer or such other officer as may have been specially authorised by Government, the procedure for the encashment of the bills being the same as prescribed for establishment bills in paragraph 527.

(c) Payments made out of the cash thus drawn are subject to the rules of this Code, both in regard to the manner of authorising and making payments and to the forms of vouchers to be obtained in support thereof.

(d) Debits from other departments or divisions for supplies chargeable to contingencies, intimations of which may be received should be dealt with in the manner indicated in Articles 454 to 458 of the Financial and Account Code. Other debits, of which intimations may be received direct through advices of transfer debit, and stock and adjustment transactions arising, within the division, should be cleared, by an entry in the regular accounts, by debit to

"the Accountant General's Office on account of contingencies of the Division," the transaction being incorporated in due course in the contingent bills as laid down in the rule already quoted.

**NOTE.** In accepting invoices of store and work bills, etc., received from other divisions and departments, charges pertaining to contingencies should be clearly specified and, if necessary, distinguished from other charges, so that, in cases where the necessary adjustment can be effected in the Accountant General's Office, this may be done without further reference to the division office.

**535.** The cash obtained for contingent charges should not be mixed up with balances of cash obtained for other purposes, and care should be taken that cash charges relating to other heads are not brought to account, even temporarily, as contingent charges of *vice versa*.

#### *Direction Office.*

**536.** The following rules apply only to the Chief Engineer's Office and other Special offices which are not like Divisional, Sub Divisional or Section Offices in direct charge of the execution of works. These offices are termed as "Special Offices."

**537.** The head of a special office is not concerned with the actual execution of works, with the disbursement of money, or with the provision or custody of any materials, otherwise than possibly as an officer of control. If, however, he is required at any time to assume an executive charge, the monetary and store transactions of such charge should be kept distinct from the transactions of his special office, and accounted for under the rules applicable to Divisional Officers.

**538.** Nor do heads of special offices realise any departmental receipts. Any petty amounts received occasionally should be remitted at once to the treasury in accordance with the procedure prescribed in Article 75 of the Financial and Account Code.

**539.** Thus, the monetary transactions of heads of special offices are practically confined to payments of office expenses and pay and allowances of themselves and the members of their offices. These may be divided into two distinct groups :—

- (1) Pay and allowances.
- (2) Contingent charges.

**540.** Cash required to meet these payments is obtained by bills drawn on treasuries under the rules in the following paragraphs.

**541.** The rules in the Financial and Account Code apply *mutatis mutandis* to special offices.

**542.** The general rules relating to contingencies and supplies and services are given in Chapter XI in Volume I and Appendix 14 in Volume II of the Financial and Account Code.

**543.** Charges for new supplies of, and repairs to, articles of the classes which, in the case of executive officers are classified under the head 'Tools and Plant' are treated as contingent charges etc., in the case of special offices.

**EXAMPLES :—**Scientific instruments and drawing materials  
office furniture, camp equipage, motor car etc.,

**544.** The Account procedure prescribed in chapter VI for tools and plants of Division offices will be observed in special offices as well as in respect of articles referred to in paragraph 543, suitable registers showing the receipt, disposal and balances of articles being maintained for the purpose.

**NOTE.** If any articles of this class are transferred to a division office, the fact of the transfer should forthwith be reported to the Accountant General's office even though no adjustment of cost is required to be made under rule.

---



# **THE TRAVANCORE PUBLIC WORKS ACCOUNT CODE**

---

**VOLUME I**

---

*Issued by authority of the Government of Travancore*

---

**FIRST EDITION**



**TRIVANDRUM:  
PRINTED BY THE SUPERINTENDENT, GOVERNMENT PRESS,  
1943**



1. The Travancore P. W. D. Account Code, of which the present edition is the first under this title, describes the accounts which should be maintained in respect of Public Works transactions, the principles on which they are based and the procedure to be adopted for their maintenance. The rules in this Code supersede the rules relating to account matters in the Travancore Public Works Code published in 1912.

2. The Travancore P. W. D. Account Code contains the rules which are special to the Public Works Department. It does not reproduce account rules which are applicable to the Public Works Department in common with other departments. In all matters in which no special rules exist in this Code, the general rules in the Travancore Financial and Account Code will apply.

3. For the sake of convenience the Code has been printed in two volumes, Volume I embodying the rules and Volume II containing the appendices and forms. The Public Works Department Code defining the scope of the administrative and executive functions of the Department is under compilation and will be published shortly. Till that Code is published, the rules contained in the Travancore Public Works Code and those issued through Government Orders relating to administrative matters with the exception of those which are in conflict with or superseded by the rules in the Travancore P. W. D. Account Code will continue to be in force.

4. Any errors or omissions which are noticed in this Code may be communicated to the Chief Engineer who will address Government in the Finance Department with a view to their rectification.

Huzur Cutcherry, }  
Trivandrum, }  
29th November 1942. }

A. LAKSHMINARAYANA AYYAR,  
*Financial Secretary to Government.*

---



## CONTENTS.

---

		PARAS
<b>CHAPTER</b>	<b>I. Definitions . . . . .</b>	<b>1 - 59</b>
"	<b>II. General outlines of the system of accounts . . . . .</b>	<b>60 - 72</b>
"	<b>III. Relations with Audit . . . . .</b>	<b>73 - 88</b>
"	<b>IV. Appropriations . . . . .</b>	<b>89 - 107</b>
"	<b>V. Cash . . . . .</b>	<b>108 - 154</b>
"	<b>VI. Stores . . . . .</b>	<b>155 - 225</b>
"	<b>VII. Transfer Entries . . . . .</b>	<b>226 - 232</b>
"	<b>VIII. Revenue Receipts . . . . .</b>	<b>233 - 257</b>
"	<b>IX. Works Accounts . . . . .</b>	<b>258 - 368</b>
"	<b>X. Manufacture Accounts . . . . .</b>	<b>369 - 381</b>
"	<b>XI. Suspense Accounts . . . . .</b>	<b>382 - 405</b>
"	<b>XII. Workshop Accounts . . . . .</b>	<b>406 - 416</b>
"	<b>XIII. Deposits . . . . .</b>	<b>417 - 431.</b>
"	<b>XIV. Non Government Works . . . . .</b>	<b>432 - 446</b>
"	<b>XV. Transactions with other Divisions and Departments . . . . .</b>	<b>447 - 463</b>
"	<b>XVI. Account returns of Sub Divisional Officers . . . . .</b>	<b>464 - 469</b>
"	<b>XVII. Accounts of Divisional Officers . . . . .</b>	<b>470 - 523</b>
"	<b>XVIII. Pay, Allowances and Contingencies . . . . .</b>	<b>524 - 544</b>

# TRAVANCORE

## PUBLIC WORKS ACCOUNT CODE

---

### CHAPTER I.

#### A. EXTENT OF APPLICATION.

The rules contained in this Code describe primarily the procedure relating to the initial and compiled accounts of officers of the Public Works Department. They are supplementary to the general rules in the Financial and Account Code which are applicable to that department unless there be something repugnant in the subject or context, or except to the extent that they are modified by the rules in this Code.

#### B. DEFINITIONS.

2. Unless there be something repugnant in the subject or context, the terms defined in this chapter are used in this Code in the sense hereinafter explained.

3. *Administrative Approval.* The term denotes the formal acceptance, by the Administrative Department concerned, of the proposals for incurring any expenditure in the P. W. D. on a work initiated by, or connected with the requirements of such Administrative Department. It is, in effect, an order to the P. W. D. to execute certain specified works at a stated sum to meet the administrative needs of the department requiring the work. See also paragraph 55 of this Code and paragraph 196 of the Travancore Public Works Department Code.

4. *Appropriation.* See paragraph 93.

5. *Book Transfer.* This term is applied to the process whereby financial transactions which do not involve the giving or receiving of cash, or of stock materials, are brought to account. They usually represent liabilities and assets of Government brought to account either by way of settlement or otherwise; but they may also represent corrections and amendments made in cash, stock, or book transfer transactions previously taken to account.

6. *Commercial Department.* See Appendix 15 Travancore Financial and Account Code, Part II.

7. *Abandoned.* A work is said to be abandoned when, after it was started, it is given up before completion. The term 'abandoned works' does not include completed works.

8. *Contingencies (works).* When used in respect of the accounts of works, the term 'contingencies' indicates the incidental expenses of a miscellaneous character which cannot appropriately be classified under any distinct sub-head or sub-work, but yet pertain to the work as a whole.

9. *Contract and Contractor.* The term contract, as used in this Code, means any kind of undertaking, written or verbal, express or implied, by a person, not being a Government servant, or by a syndicate or firm, for the construction, maintenance or repair of one or more works, for the supply of materials or for the performance of any service in connection with the execution of works or the supply of materials. The term contractor means a person, syndicate or firm that has made such an undertaking; but often its use is restricted to contractors for the execution of works or for services in connection therewith.

10. *Department.* This term when qualified by the prefix 'the' is used to indicate the Public Works Department.

11. *Deposit Works.* This term is applied to works of construction or repair the cost of which is met, not out of Government funds, but out of funds from non-Government sources, which may either be deposited in cash or otherwise placed at the disposal of the Divisional Officer. Works executed for Municipalities and other public bodies fall under this category when the cost is chargeable either to cash deposits made for the purpose, or to their credit balances at treasuries.

12. *Detailed head.* See paragraph 66.

13. *Direct charges and direct outlay.* These expressions, as distinguished from indirect charges and indirect outlay (*vide* paragraph 22 below) are applied to those charges pertaining to a work project or job, which are directly incurred for its execution and are included in the regular accounts of it.

14. *Direction Office.* This term indicates the office of an administrative officer who has one or more Divisional Officers working under his orders and is not himself entrusted with the execution of works or with the receipts and disbursements of public money, *e. g.* the Chief Engineer; but if such an officer is also entrusted at any time with the receipt and disbursement of public money, he is treated as a Divisional Officer, even though some part of his emoluments may be treated as direction charges.

**15. *Direction Officer.*** The head of a direction office is known by this designation, *e. g.* The Chief Engineer.

NOTE :— The Chief Engineer is not a direction officer unless the direction of the business of one or more divisions is entrusted to him. Thus a Chief Engineer employed on special duty is not a direction officer.

**16. *Direct receipts.*** These receipts as distinguished from indirect receipts (*vide* paragraph 23) relate to items of revenue receipts which are realised in connection with a work or project either by officers of the P. W. D. or other departments and are directly brought to account as appertaining to the work or project.

**17. *Division and Divisional Office.*** Throughout this Code, these terms are used to denote respectively the executive charge held by a Divisional Officer (paragraph 18 below) and the head-office of such a charge.

**18. *Divisional Officer.*** In this Code the term is applied to an Executive Officer of the P. W. D. who is not subordinate to another executive or disbursing officer of the department.

Disbursing officers of other departments, if they spend Public Works funds and are required to render their accounts direct to the Audit Office, are also referred to as Divisional Officers in this Code.

**19. *Final Payment*** means the last payment on a running account made to a contractor on the completion or determination of his contract and in full settlement of the account.

**20. *Grant.*** See paragraph 90.

**21. *Inclusive rate of cost*** means the rate of cost of the entire work relating to a sub-head including the cost of materials if recorded separately in accounts.

**22. *Indirect charges and indirect outlay.*** These expressions are applied to those charges and capital outlay respectively which pertain or are incidental to a work, project, workshop job or manufacture job but which are not incurred directly and solely in connection therewith and thus cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the expenditure of the Department.

**23. *Indirect receipts*** are receipts which pertain or are incidental to a scheme or work but cannot be directly taken into such detailed account of it as are incorporated in the regular accounts of the receipts of the department.

**24. *Intermediate payment*** is a term applied to a disbursement of any kind on a running account, not being the final payment. It also means an 'on account payment' other than the final payment on a running account.

**25. *Issue rate***. This term denotes the cost per unit fixed, in respect of an article borne on the stocks of the department at a valuation for the purpose of calculating the amount creditable to the sub-head concerned (*i. e.* the sub-head under which the article is classified) of the stock account by charge to the account or service concerned when any quantity of that article is issued from stock.

**26. *Labour***. When a separate "materials account" is kept for one or more sub-heads of an estimate and the term 'labour' is used in connection with such an account, it denotes all charges pertaining to each of these sub-heads other than (i) the cost of materials issued direct and (ii) carriage and incidental charges in connection with the materials.

**27. *Liabilities***. When used in respect of accounts of works, this term includes all anticipated charges which are adjustable as final charges but have not been paid or adjusted regardless of whether or not they have fallen due for payment or adjustment or having fallen due, have or have not been placed to the credit of the persons concerned in a suspense head subordinate to the accounts of the work concerned.

**28. *Major Estimate***. It is a term applied to the estimate for a work when the sanctioned amount of the work expenditure exceeds Rs. 2,000. This term is also applied for the sake of convenience to the work itself.

**29. *Major Head***. See paragraph 66.

**30. *Market rate***. The term is used in respect of an article borne on the stock account of a division and indicates the cost per unit at which the article, or an article of similar description can be procured at a given time at the Stores Go-down from the nearest public market for obtaining the supply.

**31. *Minor Estimate*** is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure does not exceed Rs. 2,000. This term is also applied for the sake of convenience to the work itself.

NOTE. Petty works are those which cost Rs. 500 or less and are referred to as such in this and the Department Code.

**32. *Minor Head***. See paragraph 66.

**33. *Non-voted***. See paragraph 69.

**34. *On-account payment or payment on account*** means a payment on a running account, to a contractor in respect of work done or supplies made by him and duly measured. Such a payment may or may not be for the full value of the works or supplies ; if it is an intermediate payment, it is subject to the final settlement of the running account on the completion of the contract for the work or supplies.

**35. *Operation*.** Used in respect of the accounts of the manufacture and workshop transaction, this term indicates the charges incurred on the manufacture operations connected with specific jobs.

**36. *Out-turn*.** Used in respect of the accounts of manufacture and workshop transactions, this term denotes the value of the finished products (or of the work done, in cases in which the articles wrought are not supplied departmentally) of manufacture operations connected with specific jobs.

**37. *Primary Unit of Appropriation*.** See paragraph 90.

**38. *Progress*** means the up-to-date quantities of work done or supplies made.

**39. *Quantity*.** In the accounts of works, this expression is used to describe the extent of work done, supplies made or services rendered when those can be measured, weighed or counted.

**40. *Rate*.** In estimates of cost, contracts, contractors' bills and vouchers generally, rate means the consideration allowed for each unit of work, supply or other service. Except in the case of lump sum contracts, every bill or other demand for payment should, as far as possible, set forth the unit rate at which payment is to be made.

**41. *Rate of cost*** means generally the total cost of a work or supply divided by its quantity. In the accounts, it represents the recorded cost per unit, as arrived at by dividing the up-to-date final charge on a sub-head by the up-to-date progress thereof.

**42. *Re-appropriation*** means the transfer of funds from one unit of appropriation to another such unit.

**43. *Recoverable payment*** means a payment to or on behalf of a contractor which does not represent value creditable or payable to him, for work done or supplies made by him and has therefore to be made good to Government by an equivalent cash recovery or short payment of dues.

44. *Running account.* It is a term applied to the account with a contractor when payment for work or supplies is made to him at convenient intervals subject to final settlement of account on the completion or determination of his contract.

45. *Secondary Unit of appropriation.* See paragraph 90.

46. *Section Officer.* This designation is used in this Code to describe those officials, usually non gazetted subordinates, who are placed in responsible executive charge of a portion of a work, of a single large work, of a number of works or of a territorial jurisdiction under the orders of an officer in charge of a recognised sub-division and the accounts of whose transactions are, therefore, ultimately incorporated in those of the sub-division.

47. *Secured Advance* is a term applied specifically to an advance made, on the security of materials brought to site of works, to a contractor whose contract is for the completed items of work. See paragraph 288 of this Code.

48. *Special Office* means the office of a Special Officer.

49. *Special Officer* (or specialist officer). The term is applied in this Code to such officers of the department as are neither Divisional Officers nor officers subordinate to a Divisional Officer.

50. *Sub-Divisional Officer.* This designation is applied primarily to an officer, whether a gazetted officer or not, who holds the charge of a recognised sub-division in subordination to a Divisional Officer, but when the immediate executive charge of any works or stores has not been constituted into a regular sub-divisional charge but is held by the Divisional Officer himself, the latter is also treated as the sub-divisional officer in respect of such charge. When a Divisional Officer holds the immediate charge of a recognised sub-division in addition to his own duties as the executive head of the division, he is treated as the Sub-divisional officer in respect of the charge of the sub-division.

51. *Sub-Head.* In the accounts of works and in working estimates, this term is used to describe the sub-divisions into which the total cost of a work (or of its sub-works if it is a large work) is divided for purposes of financial control and statistical convenience. The several descriptions of works that have to be executed in the course of construction or maintenance of a work or sub-work (e.g. excavation, brick-work, concrete, wood-work, etc.) are usually treated as the sub-heads of it.

**52. Sub-Work.** In the case of a large work consisting of several buildings or smaller works, or groups thereof, the term sub-work is often applied to a distinct unit of the same if that unit is sufficiently large or important to be kept distinct for the purposes of accounts ; for example the outer wall, the solitary cells, the cook houses, the jailor's quarters, etc., in the case of a large central jail.

In the case of Irrigation, Navigation, Embankment, Drainage and Water-Supply projects, the head works, main line, each branch of a canal, each group of distributaries relating to each branch separately, the drainage and protective works, the water course scheme and special tools and plant, all form separate sub-works.

**53. Supervision charges.** This term is ordinarily applied to the charges which are levied, in addition to book value and storage charges, in respect of stock materials sold or transferred and are intended to cover such items of the expenditure incurred on the stores as do not enter their book value.

**54. Suspense accounts.** This term is applied primarily to certain heads of account falling under the minor head 'suspense' of a major head of expenditure which are reserved for the temporary passage of such transactions as must at once be taken to the account of the sanction or grant concerned but cannot be cleared finally either because the relevant payment, recovery or adjustment is awaited, or because it is necessary to keep an effective watch over the values of any stock materials until their final disposal. The charges under a suspense account are taken in enhancement of the charges under the major head of expenditure concerned and the receipts in reduction thereof. For suspense accounts within the accounts of works see paragraph 329.

**55. Technical Sanction.** This name is given to the order of competent authority sanctioning a properly detailed estimate of the cost of a work of construction or repair proposed to be carried out in the P. W. D. Ordinarily, such sanction can only be accorded by Government or by such authorities of the department to whom the power has been delegated by Government. Sanction accorded by any other department of Government is regarded merely as an administrative approval of the work (*vide* paragraph 3.)

**56. Unit of appropriation.** (*Vide* para 90.)

**57. Voted.** See paragraph 69.

**58. Work.** The term 'work' when by itself, is used in a comprehensive sense and applies not only to works of construction or repair but also to other individual objects of expenditure connected



---

with the supply, repair and carriage of tools and plant, the supply or manufacture of other stores, or the operations of a workshop.

**59. *Works Expenditure and Works Outlay.*** These terms are used to indicate respectively the expenditure and the capital charges on the special services connected with the construction, repair and maintenance of works. The charges falling under these categories may be met when, under rule, any receipts are taken in reduction of the charges—but they do not include the cost of the general services tools and plant and establishment, or any charges not taken to final heads of account but kept under one of the suspense accounts.

---

## CHAPTER II.

## General Outlines of system of Accounts.

## A. CLASSIFICATION OF TRANSACTIONS.

60. \*The Public Works Department executes primarily works of all classes required for all departments under the control of Government except such works as may be entrusted to the administration of the departments concerned, (*vide* chapter XIII of the Travancore Financial and Account Code and paragraphs 190 and 191 of the Public Works Department Code.)

The local works on behalf of the Resident, Madras States are also entrusted to the department. At times, non-Government or private works including the works of local bodies are also carried out by the department.

NOTE. Besides the foregoing, petty services such as the manufacture or supply of stores are also undertaken by Divisional Officers.

61. The general principles and rules to be followed in the classification of expenditure are detailed in para 70 of the Audit Code.

62. Transactions relating to the charges and receipts connected with the services pertaining to the works of the department are adjusted finally in the accounts of the Divisional Officers against the provision of funds thereof placed at their disposal.

Transactions connected with the services for works of other departments are not adjusted finally but pass eventually out of the accounts of the Divisional Officers for incorporation in the accounts of the departments concerned. Transactions connected with the services for works on behalf of the Resident, Madras States, are also not adjusted finally but pass eventually to the accounts with British Government for recovery and adjustment. Outlay on non-Government works is charged against the deposits received therefor.

(1) When a division undertakes a service on behalf of another division, the connected transactions are passed on for adjustment finally in the accounts of the latter division.

(2) Operations undertaken in the manufactories and workshops of a division on behalf of other divisions, departments, local bodies or individuals are treated as operations of the division in the first instance, but the entire cost is ultimately passed on for adjustment in the accounts of the divisions, or adjusted by debit to the departments concerned in the Accountant General's Office or recovered from the local bodies or individuals concerned.

---

\* Civil works (civil and military buildings and communications) Irrigation works, Navigation works, Embankment works, Water Supply and Drainage works,

63. In all cases the primary accounts of these transactions should be kept in accordance with the rules of this Code, even though the ultimate cost of the transactions may not have to be brought to account finally in the books of the Divisional Officer.

64. The performance of these services and the subsidiary proceedings give rise to a number of other transactions with other departments etc. which have also to be brought to account, *e. g.* funds have to be obtained from the treasuries to meet liabilities incurred, receipts realised have to be lodged in treasuries and stores have to be obtained from other divisions or departments or from outside.

65. The transactions of the Public Works Officers may thus be grouped under the heads indicated below :

- (1) *Expenditure heads* :—for charges adjustable finally in the accounts of the Divisional Officers.
- (2) *Revenue heads* :—for revenue receipts creditable finally to Government in the accounts of the Divisional Officers.
- (3) *Remittance heads* :—for receipts as well as payments for cash, stores or other values received from or paid to on behalf of other divisions or departments.
- (4) *Debt heads* : for certain receipts and payments held in suspense pending clearance by payment or recovery (as the case may be) in cash or otherwise. The suspense accounts for transactions of this group are treated either as heads subordinate to the expenditure heads or as independent heads of accounts as will be explained in later chapters.

66. The transactions under each of these groups are further sub divided for purposes of accounts. In the case of expenditure and revenue heads, the main unit of classification is known as the major head and the further divisions of it as minor heads, each of which has a number of subordinate heads, generally known as detailed heads.

- (1) For departmental purposes, Public Works officers usually divide a detailed head into a number of 'service heads' but for purposes of account the single term, 'detailed head' is used for all divisions subordinate to a minor head.

67. The detailed classification of the account heads used in respect of Public Works accounts is given in Appendix I.

- (1) In the case of works of other departments undertaken by the P. W.D. as a standing arrangement, the prescribed classification applicable to the connected transactions is intimated by the Accountant General,

68. Revenue is realised and placed to the credit of Government as it falls due under the statutory or other rules governing it but expenditure can be incurred only against a grant voted by the Legislature or allotted by the Government.

69. All expenditure of the public works department is subject to the vote of the Legislature with the exceptions of the items enumerated below, funds for which may be provided without reference to the Legislature.

- (1) Expenditure which is obligatory under any law.
- (2) Works relating to
  - (a) Palaces
  - (b) Government Houses.
  - (c) Guest Houses.
  - (d) Travancore Houses, New Delhi and Madras.
  - (e) H. H. the Maharaja's Garage and Stables.
- (3) Salary and allowances of officers holding appointments the pay or the maximum pay of which is not less than Rs. 500 per mensem.

The terms *voted* and *non-voted* are used to distinguish expenditure subject to the vote, from that falling under these exceptions.

70. The term 'expenditure' used in paragraphs 65, 66 and 69 includes also charges reclassified as working expenses which are taken in reduction of revenue receipts. It does not include any recoveries of expenditure which may, for account purposes, be treated as *minus* expenditure.

## B. SYSTEM OF ACCOUNTS.

71. The main features of the system of Public Works Accounts are—

(a) The Divisional Officer is the primary disbursing officer of the division and is permitted to obtain by cheque on treasuries against Letters of Credit (Treasury Code Form 17) the money required for all disbursements in connection with the execution of works. He also collects some of the departmental receipts of the division and pays them into treasuries.

(b) The accounts of these receipts and disbursements (including the transactions of subordinate officers acting on his behalf) are compiled under his supervision by an Accountant posted to his office by the Accountant General and are submitted monthly to the Accountant General who audits them against sanctions and appropriation of funds and incorporates them in the general accounts of the State.

(c) He is further required to maintain clear accounts of all stores received by him and to make these accounts available for audit by the Accountant General.

(d) Under each major head of expenditure, the charges on each project, work, or sub-work are recorded separately in the accounts of the Divisional Officers. In the case of works of certain classes (see examples cited below) *pro-forma* accounts of all transactions connected therewith are prepared annually by the Accountant General and for this purpose the receipts pertaining to each work of this class in so far as the Divisional Officer is responsible for realising and accounting for the same are also shown separately in division accounts.

(1) Irrigation, Navigation, Embankment, Water Supply and Drainage works for which both capital and revenue accounts or only revenue accounts are kept.

(2) Quasi commercial undertakings such as Workshops.

(3) Residential buildings.

(e) Personal payments to all Government servants of the Department are made on bills presented at treasuries in accordance with the general rules of the Financial and Account Code applicable to all departments and are therefore brought to account by the Accountant General himself from data furnished to him direct by Treasury Officers.

72. It is not sufficient that an officer's accounts should be correct to his own satisfaction. A disbursing officer has to satisfy not only himself but also the Audit Department that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports and that an account is correct in all respects. It is necessary that all accounts should be so kept and the details so fully recorded as to afford the requisite means for satisfying any enquiry that may be made into the particulars of any case, even though such enquiry may be as to the economy or the bonafides of the transactions. It is further essential that the records of payment, measurement and transactions in general must be so clear, explicit and self-contained as to be producible as satisfactory and convincing evidence of facts, if required in a Court of Law. All transactions involving the giving or taking of cash, stores, other properties, rights, privileges and concessions which have money values should be brought to account. The record of a transaction of receipts or expenditure should always be made at once under the final or the debt or remittance head to which it pertains if that be known; but if the exact head cannot be ascertained at once, then the transaction should be temporarily classified under deposits if a receipt or under Miscellaneous Public Works Advances, if a charge.

---

CHAPTER III.

## Relations with Audit.

## A. GENERAL.

73. The Divisional Officer, as the primary disbursing officer of the division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the transactions correctly and in accordance with the rules in force. See also paragraphs 79, 83 and 84 of the Public Works Department Code.

74. The Divisional Officer is further required to submit his accounts to the Accountant General who has to apply to them such audit checks as are detailed in Chapter I of the Audit Code and other rules that may from time to time be prescribed by Government (*vide* para 79 of the Department Code.)

The accounts returns which have ordinarily to be submitted for audit and compilation are enumerated in chapter XVII but the Accountant General is authorised to call for additional accounts, books, papers and writings or other information having relation thereto, should he consider them necessary for the elucidation thereof.

75. The Divisional Officer is responsible that the accounts of his division are not allowed to fall into arrears but if arrears or confusion arise which in his opinion cannot be cleared without the assistance of the Accountant General, he should at once apply for such assistance explaining the circumstances which led to such a state of affairs and why it cannot be attended to by the normal staff of the Division (*vide* para 83 of the Public Works Department Code.)

## B. DIVISIONAL ACCOUNTANT.

76. To assist the Divisional Officers in the discharge of their responsibilities referred to in paragraphs 71 and 72, the Accountant General will post a Divisional Accountant to each Division Office.

Rules regarding the establishment of Divisional Accountants are given in Appendix III.

77. (a) The functions of the Divisional Accountant are threefold :

(i) As Accountant, i. e., as the compiler of the accounts of the division in accordance with the prescribed rules and from the data furnished to him.

(ii) As primary auditor *i. e.*, as the representative of the Audit Department charged with the responsibility of applying certain preliminary checks to the initial accounts, vouchers etc., (see chapter XVII), and

(iii) As Financial Assistant, *i. e.*, as the General Assistant and Adviser to the Divisional Officer in all matters relating to accounts and budget estimates or to the operation of financial rules generally.

(b) In the discharge of these duties, he is expected to keep himself fully conversant with all sanctions and orders passing through the office and with other proceedings of the Divisional Officer and his subordinates which may affect the estimates or accounts of actual or anticipated receipts and charges. He should advise the Divisional Officer of the financial effects of all proposals for expenditure and keep a watch, as far as possible, over all the liabilities against the grants of the division as they are incurred.

(c) The Divisional Officer should see that he is given the fullest opportunity of being conversant with these sanctions, orders and proceedings. To enable him to discharge his duties efficiently, the Divisional Accountant is treated as the senior member of the office establishment of the division.

78. The Divisional Accountant is expected to see that the rules and orders in force are observed in respect of all the transactions of the division. If he considers that any transaction or order affecting receipts or expenditure is such as would be challenged by the Accountant General if the primary audit entrusted to the Accountant were applied by the former, it is his duty to bring this fact to the notice of the Divisional Officer with a statement of his reasons and to obtain the orders of that officer. It will then be his duty to comply with the orders of the Divisional Officer ; but if he has been over-ruled and is not satisfied with the decision, he should at the same time make a brief note of the case in the register of Divisional Accountant's audit objections, in P. W. A. form No. 56, and lay the register before the Divisional Officer, so that the latter may have an opportunity either of accepting the Divisional Accountant's suggestion on reconsideration and ordering action accordingly or of recording, for the information of the Accountant General, his reasons for discarding that suggestion. An objection entered in this register should not be considered as finally disposed of until it has been reviewed by the Accountant General for whose inspection the register should be available at all times.

79. (a) The Divisional Accountant should bring to the Divisional Officer's notice all instances in which subordinate officers exceed the financial limitations on their powers placed by the Divisional Officer or higher authority.

- (i) For example, if the Divisional Officer is allowed a lump sum appropriation for expenditure on a group of works and he has made out of it appropriation for individual works, expenditure should be watched against individual appropriation and excesses brought to the Divisional Officer's notice. But if a lump sum appropriation is made for a group of works or items of expenditure of a division, the total expenditure thereon will be audited against the lump sum placed at the disposal of the Divisional Officer for the purpose.

**NOTE**—The check against any specific reappropriation which the Divisional Officer may make out of any lump sum placed at his disposal is conducted by the Divisional Accountant on his behalf.

(b) He may further be required by the Divisional Officer to undertake on his behalf such other scrutiny of the accounts of the receipts and disbursements of subordinate officers falling within the Divisional Officer's own powers of sanction as the latter may consider necessary.

(c) The Divisional Accountant will be solely responsible for the issue of objections on account of excesses over or for want of sanctioned estimates in the case of petty works, vide paras 204 and 207 (iii) of the Public Works Department Code, except civil works, deposit works, maintenance of staff boats, estimates for losses on stock and works for other departments. He should maintain an objection book in P. W. A. form No. 79 to record and watch the clearance of such irregularities. The Accountant General will examine the register during his annual inspections.

**80.** The Divisional Accountant should inspect at least once a year, under the orders of and at the same time as the Divisional Officer, the accounts records of sub-divisional offices and check a percentage of the initial accounts. The defects noticed should be reported to the Divisional Officer for orders, but the Divisional Accountant will be responsible, as far as possible, for personally explaining the defects of procedure and imparting necessary instructions thereon to the Sub-Divisional Officers and their staff.

(1) The results of these inspections should be placed on record for the inspection of the Accountant General, but serious financial irregularities should be reported at once for the information of that officer even though set right under the orders of competent authority. See also Article 173 of the Travancore Finance and Account Code requiring a report to be made immediately to the Accountant General of all defalcations or losses of public money, stores or other property.

(2) The accounts of interest-bearing securities maintained by Sub-Divisional Officers should be examined to see that the rules relating to them are observed and that the register in P. W. A. form No. 77 is correctly maintained, and with this object a few



transactions of the register should be compared with the entries in the cash book or other account and vice versa. The securities certified as being on hand—vide para 431—should be verified by inspection as far as possible and it should be seen, in respect of such of them as are not produced for inspection, that there are in existence either the original acknowledgments of the depositors bearing dates subsequent to the dates of the last account, or the acknowledgments of the authorised custodians, as the case may be.

81. Two sets of questions for the guidance of the Divisional Accountants in carrying out his inspections are contained in Appendix IV of this Code. Part I of the questions contains the subjects which should necessarily be examined by the Accountants. Part II refers to matters about which the Accountants should obtain, before commencing their inspections—the specific orders of the Divisional Officer, in writing, as to whether they should examine them or whether the Divisional Officer would take them up. The Accountant will then take up those subjects in Part II which the Divisional Officer has ordered him to do so. The remaining points therein should be examined by the Divisional Officer himself.

82. The Divisional Officer has a right to seek the advice of the Accountant General in all matters connected with the accounts of his division or the application of financial rules and orders concerning which there may be any doubt. It will usually be desirable, however, that he should first obtain the advice of the Divisional Accountant who is specially trained for this duty, and this should be done in writing in all cases of importance—vide para 83 of the Department Code.

### C. AUDIT INSPECTIONS.

83. The Accountant General arranges for the periodical test audit and local inspection of the accounts of the Divisional and Sub-Divisional Offices, and the Divisional Officer is responsible that the initial accounts and other connected records are made available for inspection. Inspecting officers are required, if possible, to discuss the drafts of their reports with the Head of the office inspected before submitting them to the Accountant General, and for this purpose it is desirable that the Head of the office should be present at the inspection, unless his presence is urgently required elsewhere (vide also G. O. No. Fl. 1325/45 of 19 dated 10-8-1923.)

The following procedure should be adopted in dealing with the reports of inspection of the accounts of Divisional Offices:—

(1) The report will be sent officially by the Accountant General to the Executive Engineer concerned who should forward it with his explanation to the Chief Engineer within one month of the receipt of the report,

(2) The Chief Engineer should forward the report to the Accountant General with his remarks and orders within one month of the receipt by him from the Executive Engineer.

(3) The Accountant General will forward to the Chief Engineer for further remarks extracts from the reports which may seem to call for notice.

(4) The Chief Engineer will deal with all matters within his competence and refer the rest to Government for orders. A copy of the Chief Engineer's orders on the Accountant General's reference should be sent to the Accountant General within a month of the receipt by the Chief Engineer of the Accountant General's reference. The Chief Engineer should also send to the Accountant General copies of any separate reference which he makes to Government. Only those cases where an officer has to be censured or where money is to be written off or where important questions of policy or procedure are involved should be referred to Government.

(5) The Accountant General will refer to Government, separately, questions on which he does not accept the Chief Engineer's orders, and general questions of policy or importance on which he requires the decision of the Government.

NOTE 1. The dates specified above should be strictly observed.

NOTE 2. The Chief Engineer and other officers should specify a time limit for reply when calling for explanations and strictly enforce the time limit. The particular points on which further information is required should be specified not only in the reference but in the proceedings sent to the superior or audit authority.

NOTE 3. The Audit Department has power to examine contracts and to bring, before Government, any case where competitive tenders have not been sought, or where high tenders have been accepted, or where other irregularities in procedure have come to light.

NOTE 4. Inspecting officers wishing to make comments on the confidential records shown to them should write such comments in their own hand, treat them as strictly confidential and submit them separately from the general audit report to the Accountant General.

#### D. COMMUNICATION OF SANCTIONS TO AUDIT.

84. As a general rule, every sanctioning authority is responsible that all sanctions and orders against which audit of receipts or disbursements is to be conducted in the Audit Office are communicated to it in accordance with the procedure in force. See paragraph 350 of the Public Works Department Code, *vide* also paragraph 531 of this Code.

(1) Audit against sanctions accorded by the Divisional Officer is conducted in the Audit Office only in respect of technical sanction to estimates. In respect of other sanctions of the Divisional Officer, the Divisional Accountant is responsible for the necessary check, (*vide* paragraph 79.)

(2) Sanctions to contract agreements accorded by authorities higher than the Divisional Officer should be communicated by them to the Accountant General in such form as to enable that officer to audit the payments to contractors on the basis of rates sanctioned for each item of work or supply and other necessary terms and conditions.

### E. RESULTS OF AUDIT.

**85.** The results of audit are communicated to the Divisional Officer in the form of audit notes, objection statements, inspection reports, letters or memoranda. These should receive prompt attention, *vide* Article 153 of the Financial and Account Code and the replies of the Divisional Officer should be based, as far as possible, on his own knowledge. It is not enough to pass on the explanation of a subordinate; reports prepared in this manner may, by lulling suspicion, lead to greater irregularity afterwards.

**NOTE.** Each audit note should be returned to the Audit Office within 15 days of its receipt in the Divisional Office.

**86.** Objection statements and inspection reports should be returned through the Chief Engineer after the Divisional Officer has recorded his replies thereon. The Chief Engineer will pass orders in respect of matters which he is competent to deal with finally and record his remarks (with a note of the action taken) on all other points before returning the documents to the Accountant General.

**87.** Once a transaction has been entered in the objection statement or otherwise challenged in one of the other documents referred to in paragraph 85, the responsibility for having the objection removed will devolve upon the Divisional Officer, and the Accountant General is required to report to the higher authorities cases in which the objections are not cleared within a reasonable time.

**NOTE.** An audit objection is usually removed by obtaining the requisite sanction, by making the necessary recovery, by correcting or completing the relevant account or voucher, by furnishing the necessary documents or information or by otherwise securing compliance with the provisions of a specified rule. In cases in which a protest is made against an audit objection as being incorrect, the objection should be held to be in force unless a formal intimation of its withdrawal is received from the Audit Office.

88.—The Audit Office is required to place under objection any transaction coming to its notice which is not covered by adequate sanction or involves an excess thereon or other deviation. In some cases, the Divisional Officer may have already taken action to regularise the transactions, or the excess (if any) over sanction plus any further excess that may be anticipated may be within his powers of sanction without preparing a revised estimate and he may have accorded the necessary formal approval to it; yet, if the necessary intimation of sanction does not reach the Audit Office when the Divisional accounts in which the regular transaction appears are being audited, the Audit Officer is bound to raise the objection, as that officer is not authorised to assume that the necessary sanction has been accorded. Divisional Officers will therefore find it advisable to send to the Audit Office the earliest intimation of such of their sanctions and orders as are required to be communicated to audit (*vide* paragraph 84) and to give it, without waiting for the receipt of the objection statement or audit note, all necessary information in regard to transactions for which, within their knowledge, adequate authority does not exist. A single note or statement prepared monthly and signed by the Divisional Officer himself will ordinarily suffice in respect of transactions brought to account in the monthly account—but if it cannot precede or accompany the monthly account, it should be sent to the Audit Office within a week of the despatch of the account.

NOTE (i) The object of this rule is to obviate the issue of unnecessary audit objections; but a reduction in the number of objections can be effected only by observing the requirements of the financial and other rules bearing on the transactions and by taking timely action to accord or obtain, as the case may be, such sanction or order as may be required in cases in which a deviation from rule has occurred.

NOTE (ii) The Divisional Accountant is responsible (a) for bringing prominently to the notice of the Divisional Officer, at least once a month in a register specially maintained for the purpose, all irregular transactions on which action has not already been taken by the latter at the instance of Sub-Divisional Officers or of his own motion and

(b) for giving effect to the provisions of this paragraph in accordance with the procedure which the Divisional Officer may have desired to be observed in this connection.

## CHAPTER IV.

### Appropriations.

#### A. INTRODUCTORY.

89. (a) Expenditure can only be incurred on a work or other object :—

(i) If sanction of competent authority has been obtained as required by any orders, general or special, issued thereunder by competent authority, *e. g.* the rules in any authorised code ; and

(ii) If funds to cover the charge during the year have been provided by competent authority.

In the case of charges against suspense accounts, any expenditure which is not expected to cause an excess over the net provision for the year, may be held to be covered thereby. (See also paragraph 102.)

(iii) If no breach of the canons of financial propriety as laid down in article 37 of the Travancore Financial and Account Code is involved.

(b) For payments chargeable to the accounts of other divisions, departments, or the Residency, Madras States, of non-Government works and repayments of deposits, a Divisional Officer does not require any specific provision of funds within the appropriations for his own division. It is sufficient to see that such payments are made only in accordance with the rules in the relevant chapters of this Code.

For inevitable payments uncovered by sanction or provision of funds, see articles 88 and 89 of the Travancore Financial and Account Code.

#### B. GRANTS AND THEIR DISTRIBUTION.

90. A grant or supplementary grant may include expenditure falling under one or more major heads or sections of a major head. For purposes of accounts classification, each major head of account is divided into minor heads,—the latter being further divided into detailed heads, service and departmental heads—(vide para 66). The sub-divisions of a minor head from the point of view of the distribution of grants and the control of expenditure are known as primary and secondary units of appropriation, (vide also illustration under Article 851 of the Travancore Financial and Account Code).

91. The distribution of grants is usually effected as under:

(i) The whole or a part of the appropriation for a primary unit within a grant may be placed at the disposal of the Chief Engineer or a disbursing officer, or the unit may be broken up into a number of secondary units (to cover a number of works or a number of detailed heads of account) and the appropriation for any of these, wholly or in part, may be placed at his disposal.

(ii) The Chief Engineer at whose disposal an appropriation for a primary or secondary unit has been placed, may out of it allot funds for expenditure on specific work or item, or on a group of works or items.

(iii) The sum of all appropriations made by the Chief Engineer from a unit should not exceed the amount of the unit, or portion thereof, placed at his disposal.

(iv) The appropriation for a unit can be increased or decreased only by a formal order of reappropriation authorising a transfer of funds from or to another unit.

92. An appropriation or reappropriation within the grants of a year can be authorised at any time before, but not after, the expiry of the year.

93. An appropriation is intended to cover all the charges, including the liabilities of past years, to be paid during the year or to be adjusted in the accounts of it. It is operative until the close of the financial year. Any unspent balance lapses and is not available for utilisation in the following year but the Government will ordinarily endeavour to include any anticipated lapse in the demand for the following year.

(i) The financial year closes on the last day of Karkatagom. After that date all cash and stock transactions are treated as pertaining to the following year but bonafide transfer entries are permissible for some months, *vide* para 508.

94. (a) The Accountant General is responsible for watching, firstly, that the total expenditure under a grant does not exceed the grant and, secondly, that the total expenditure on each primary unit within a grant does not exceed the appropriation therefor as modified by orders of reappropriation passed by competent authority from time to time.

(b) In compliance with paragraph 89 (a) (ii), he must further see that, if a work or other object of expenditure requires a specific appropriation, all expenditure on it is audited against such appropriation.

(c) When, however, several Divisional Officers are authorised to incur charges relating to a unit of appropriation against a lump sum appropriation placed for the purpose at the disposal of the Chief Engineer, it devolves upon him to watch the progress of expenditure in all the divisions and to keep the aggregate charges within the appropriation. If the Accountant General is requested by the Government to audit the charges against the appropriation, he will comply with the request.

95. The procedure relating to the preparation of demands for grants is laid down in the Legislative Council Rules and that relating to the appropriation and reappropriation of funds and to budget matters generally is laid down in the Financial and Account Code, Chapter XXIII. (See also paragraph 107.)

96. A Divisional Officer at whose disposal a lump sum appropriation has been placed for a group of works or items may allot out of it funds for specific works or items.

### C. WATCHING OF ACTUALS.

97. It is an important function of the Divisional Officer to keep a constant watch over the progress of expenditure and to keep himself informed of such circumstances as may affect the progress of expenditure, in order to take early steps for obtaining extra funds or surrendering probable savings, as may be necessary. The plan to be followed in actual practice for this purpose will be slightly different in the case of expenditure met by means of cheques drawn on the treasury and accounted for monthly in the Divisional Accounts from that to be followed in the case of expenditure met by bills presented at the Treasury and not passing through the Divisional Accounts.

#### I. *Expenditure incurred by cheques drawn on the treasury.*

98. It will be found convenient in practice to adopt the following plan for watching the progress in the case of expenditure by means of cheques drawn on treasuries.

(a) The progress of expenditure on works or other items for which there are specific appropriations should be watched individually month by month through the register of works and other relevant accounts.

(b) In respect of works or other items for which lump sum appropriations are placed at the Divisional Officer's disposal, he will watch the progress of expenditure against appropriations by the maintenance of a record (i) of the expenditure in the form of a progressive abstract showing, month by month, the up-to-date expenditure of the year, and (ii) of the grants in the form of a register showing the appropriations and reappropriations ordered from time to time.

∴ (c) In the case of suspense heads, the suspense schedules in forms 61 to 63 can be utilised after noting in them the appropriation for the year and watching the expenditure against such appropriation. Thus the divisional accounts can be utilised for watching the progress of expenditure against the appropriation.

99. The Divisional Officer should prepare a monthly statement in suitable form for each major head of account to take a comprehensive view of the expenditure of the division as a whole and also to enable the Chief Engineer to watch the progress of expenditure in the several divisions severally and collectively. This statement should show the various minor and detailed heads (primary and secondary units of appropriations), individual works for which specific appropriations have been sanctioned by a higher authority, as well as the appropriations therefor as modified from time to time. Works for which a lump sum appropriation has been placed at the disposal of the Divisional Officer may, however, be grouped together and only the totals shown. The expenditure incurred under each primary and secondary unit and under any work or item requiring a specific appropriation should be posted in the relevant column from the register of works and the schedules of works expenditure in P. W. A. form No. 59. In the case of the suspense heads, the net debit or credit alone need be posted from the register in P. W. A. form No. 61. Undischarged liabilities and anticipated credits should be separately recorded in the column provided for the purpose as it is necessary to take them into account in reviewing the progress of expenditure (*vide* paragraph 101). The special attention of the Divisional Officers is drawn to paragraph 103.

100. The statement referred to in paragraph 99 above should be completed within a week after the date fixed for the closing of the Divisional Accounts and a copy should be forwarded to the Chief Engineer with such proposals as the Executive Engineer may think necessary for the reappropriation of funds or for the surrender of probable savings. The Divisional Officer should attach special importance to the statements after the first six months of the year and should devote particular attention to their review.

101. (a) In this review of expenditure, undischarged liabilities play an important part and their effect on individual and lump sum appropriations should, therefore, be watched.

NOTE. 1. Liabilities may be divided into four classes :

- (i) those outstanding in the suspense accounts relating to contractors and labourers in the accounts of works.



- (ii) those outstanding in any of the regular suspense accounts of the division,
- (iii) outstanding debits adjustable by book transfer, and
- (iv) matured claims of contractors, suppliers, etc., awaiting settlement and all unmatured claims, recurring or non-recurring likely to fall due for settlement before the close of the year. Liabilities of class (ii) may affect not only the grants for the minor head 'suspense' of the major head under which the suspense account concerned is classed, but also the grants for works and services falling under the same and other major heads; see also paragraph 102.

(b) Anticipated credits (if any) which will ultimately be taken in reduction of the expenditure chargeable against any individual or lump sum appropriation should also be taken into account, (see statement A—Appendix I).

(c) This review is of special importance during the last four months of the year.

(d) This review should also be conducted collectively in respect of each primary or secondary unit of appropriation, a suitable register of appropriations being maintained for the purpose (see 98-(b) (ii) above). Such a review is of special help in formulating proposals for reappropriation.

**102.** The following points should receive special attention:

The appropriations for suspense accounts provide for the net increase or decrease during the year, that is, for the difference between the gross debit and the gross credit for the whole year. They impose an obligation on the Divisional Officer so to regulate his transactions during the year as to work up to the anticipated increase or decrease in the suspense balances. There is a corresponding obligation on him to make, in the accounts of the year, all the adjustment, recoveries or payments necessitated by the actual transactions of the year. This responsibility is in respect of both the opening balance and the fresh operations (debits and credits) of the year. When the clearance of any items is likely to cause any additional charges against other units of appropriation, the funds necessary to meet the charges should be reserved under these units.

**103.** All liabilities and assets of the division adjustable by transfer credit or debit to remittance heads of account should be registered in P. W. A. form No. 53, register of transfers awaited, as soon as they become known. As soon as they are cleared an entry should be made in columns 7 to 9 so that items awaiting adjustment may be known at any time.

---

## *II. Expenditure incurred by bills drawn on the Treasury.*

104. The only expenditure that falls under this category is that classified under the minor head salaries, establishment and contingencies relating thereto. The detailed procedure for controlling expenditure is contained in chapters IX to XI of the Travancore Financial and Account Code.

## *III. Duties of the Chief Engineer.*

105. The Chief Engineer should, after a thorough review of the statement received from the Divisional Officers, take such action as he considers necessary without delay and consolidate the statements of the Divisional Officers in order to review the progress of expenditure against the appropriation placed at his disposal. A copy of the Divisional statement should also be forwarded to the Audit Office.

106. The Audit Office will check the division report with its own accounts and return it with corrections, the reasons for which should be explained to the Chief Engineer. Any corrections made by the Audit Office should be incorporated by the Chief Engineer and communicated to the Executive Engineer.

## *IV. Miscellaneous.*

107. The detailed rules relating to the preparation of demands for grants, to the application and reappropriation of funds and to Budget matters generally are laid down in Chapter XXIII of the Travancore Financial and Account Code. The powers of reappropriation delegated to the Chief Engineer and the Divisional Officer will be found in Chapter VI of the Travancore Public Works Department Code.

---

## CHAPTER V.

## Cash.

## A. INTRODUCTORY.

**108.** The term 'cash' as used in this chapter includes legal tender coin, currency notes, cheques payable on demand, remittance transfer receipts and demand drafts. A small supply of one anna receipt stamps may, when necessary for use as receipt stamp, be kept as part of the cash balance. Government Savings Bank deposits, Government of Travancore Pro-notes and Government of India Securities accepted as security deposits under the provisions of paragraph 417 are not to be treated as cash. See also articles 195 to 211 of the Travancore Financial and Account Code.

**109.** Primarily, the Divisional Officer is the responsible disbursing officer of the division but this function may be delegated to his subordinate officers in certain cases (*vide* para 261).

**110.** Every Government servant is personally responsible for the money which passes through his hands and for the proper record of receipts and repayments in the prescribed account as well as for the correctness of the account in every respect. The private cash or accounts of members of the department may not be mixed up with the public cash or accounts.

## B. MODES OF OBTAINING CASH FROM TREASURIES.

## 1. General.

**111.** Disbursing officers of the department obtain cash for disbursement in two ways, *viz.* directly by bills drawn on the treasury or by means of cheques. For payment of pay and allowances of Government servants on the regular establishment not charged directly to works and for office contingent charges, certain heads of offices and other officers draw bills on treasury in prescribed forms in accordance with the rules in the Travancore Financial and Account Code Chapters IX to XI.

All other disbursements are made by Divisional Officers who may empower sub-divisional officers to make disbursements on their behalf. For this purpose, Divisional Officers are placed by the Accountant General in account with one or more treasuries by means of letters of credit (form No. 17) and they may either authorise Sub Divisional Officers to obtain money from the treasuries within the jurisdiction of the latter by drawing cheques (up to a specified limit) or place them in funds by means of a fixed imprest.

**112.** The appropriation of departmental receipts to expenditure in the department is strictly prohibited except in the case provided for in paragraph 127. See also article 78 of the Travancore Financial and Account Code.

**113.** The procedure prescribed for accounting for cash obtained from treasuries on bills for pay and allowances of establishment not charged directly to works or on contingent bills is detailed in Chapters IX to XI of the Travancore Financial and Account Code. Undisbursed balance of cash thus obtained may be kept in departmental cash chests and accounted for in account form No. 15 of the Financial and Account Code but they should not be mixed up with the regular cash balances of the department, accruing from money obtained on cheques, which are dealt with and accounted for in accordance with the rules in the following paragraphs.

**114.** When for the convenience of work it is necessary that the Divisional Officer or any of his subordinate disbursing officers should be authorised, either occasionally or as a standing arrangement, to draw cheques on a treasury situated outside the limits of the division, such an arrangement may be sanctioned by the Accountant General.

Similarly, the Divisional Officer may, if necessary, specially authorise any of his sub-divisional officers to draw cheques on treasuries situated outside the jurisdiction of the latter but within the limits of the division.

This rule is intended to be applied with special care and only to cases of real necessity. Payments to contractors should, as far as conveniently practicable, be made by cheques on the nearest treasury and a stipulation to the effect that payments shall be so made should be inserted in the contract agreement where necessary.

#### *II. Limits on Sub-Divisional Officer's Drawings.*

**115.** A Divisional Officer for the maintenance of efficient control over the disbursements of his division, may empower any of his Sub-Divisional Officers to draw against funds placed at his disposal up to a specified limit. The treasury officers will open separate accounts for sub-divisional officers and watch the drawings against such limits.

(i) For this purpose the Divisional Officer may require the Sub-Divisional Officer to submit by a convenient date an estimate of his probable requirements in suitable form.

(ii) The limit when fixed should be for the account month of the Sub-Division and the dates of the commencement and termination of the month must be specified in the intimation to the Treasury Officer concerned.

### III. Cheques.

116. Petty sums under ten rupees should not be paid by cheques, and for the disbursement of these and other charges which naturally are paid in cash, e. g. the wages of labourers and of establishment charged directly to works and value payable postage, it is permissible to draw money from time to time from the treasury to replenish the cash chest. Whether there be a guard or not, disbursing officers must draw cheques for the minimum of cash actually required to meet current disbursements, and if it is found at any time that the balance in hand is larger than is required to meet the anticipated expenditure of the next 15 days, the surplus should be returned into the nearest treasury.

117. In drawing cheques drawing officers should be guided by the general rules laid down in article 128 of the Financial and Account Code. The special rules applicable to the department are set forth in paragraphs 118--123-

118. Before a cheque book is brought into use, all the cheque forms in it should be marked by a distinguishing letter. Cheques drawn by a disbursing officer on any treasury should be distinguished by a different letter from those drawn by himself or other disbursing officers of the division on that or any other treasury.

119. In the case of sub treasuries, the advice of the number of the cheque book to be used (*vide* article 128 of the Financial and Account Code) should ordinarily be sent through the divisional treasury ; but in cases of urgency it may be sent direct to the sub treasury, a copy being forwarded simultaneously to the divisional treasury.

120. When a limit has been set by the Divisional Officer on the drawings of a sub-divisional officer under the provisions of paragraph 115, the limit prescribed for the drawings on each treasury during a month, should be entered on the reverse of the counterfoil of the cheque book for that treasury before any cheques are drawn during that month and the sub divisional officer should watch that the limit is not exceeded by deducting from it, on the reverse of the counterfoils, the amount of each cheque as it is drawn. The undrawn balance at the close of the month should not be carried forward to the next month.

NOTE.—In all cases the drawing officer should record on the reverse of the counterfoil of each cheque the amount of the next cheque drawn and the total of the drawings during the month and carry forward their total to the next counterfoil, thus enabling himself, from time to time to exercise an independent check on the postings in his cash book.

**121.** If the currency of a cheque should expire owing to its not being presented at the treasury for payment within three months from the date of its issue (vide article 128 (iv) of the Financial and Account Code), it may be received back by the drawer who should then destroy it and draw a new cheque in lieu of it. The fact of the destruction and the number and date of the new cheque should be recorded on the counterfoil of the old cheque and the number and date of the cheque that is destroyed should be entered on the counterfoil of the new one. The fact of the new cheque having been issued should be entered on the date of issue in red ink in the cash book but not in the column for payment, a note being made at the same time against the original entry in the cash book.

For procedure relating to lost cheques see article 129 of the Financial and Account Code.

**122.** When it is necessary to cancel a cheque, the cancellation should be recorded on the counterfoil and the cheque, if in the drawer's possession, should be destroyed. If the cheque is not in his possession, he should promptly request the treasury officer to stop payment of the cheque and, on ascertaining that payment has been stopped, he should write back the entry in his cash book by exhibiting the amount of the cheque as a minus figure on the payment side in the "treasury" column. A counter reference should be given in the cash book against the original, to the second entry of the cheque. A cheque remaining unpaid for any cause for twelve months from the date of issue should be cancelled and its amount written back in a similar manner.

**123.** When a cheque is lost during the period of its currency and it becomes necessary to issue a duplicate, the treasury officer concerned should be immediately informed of the loss of the original. The duplicate should not be issued until the drawing officer has satisfied himself that the original cheque has been noted as invalid at the treasury. Reference should be made in the cash book against the original entry to the issue of the duplicate and also on the counterfoil of the lost cheque, vide para 129 of the Financial and Account Code.

### C. RECEIPT OF MONEY.

#### I. Account Procedure.

**124.** When money is received by a Government servant on behalf of Government, it should at once be brought to account in the cash book and a receipt in account form No. 2 should invariably be granted to the payer. If, however, the amount be realised by

recovery from a payment made on a bill or other voucher setting forth full particulars of the deduction, a receipt should be granted only if specially desired by the payer, but the fact of the recovery having been made by deduction from the payment voucher should be clearly recorded on the receipt.

1. Final acquittance for private cheques and drafts on local banks accepted under proper authority (vide article 70 of the Financial and Account Code) should not be given to the payer until they have been cleared.

2. Before an officer signs a receipt in Account form No. 2 for cash actually received by him, he should see that the receipt of the money has been duly recorded in his cash book and in token of this check, the entry in the cash book should be initialled and dated at the same time.

When the officer signing the receipt is in camp but the cash book is at his head-quarters, the counterfoil of the receipt book should be compared with the entry in the cash book on the next occasion when he sees the cash book or when he returns to head-quarters whichever is earlier, the entry in the cash book being initialled and dated in the usual manner in token of this check.

3. The head clerk or cashier may, when specially authorised to do so by the Divisional Officer or Sub-divisional Officer, receive money at headquarters when the latter is in camp. In such cases he should promptly issue a temporary receipt in P.W.A. form No. 3 for the cash actually received by him and should simultaneously enter the amount in the cash book. Formal receipts in Account Form No. 2. in confirmation of the temporary receipts should be issued signed duly by the divisional or sub-divisional officer immediately on the latter's return to head-quarters. Before signing the formal receipt, the officer concerned should compare it with the amount of the counterfoil of the temporary receipt and the corresponding entry in the cash book and he should initial the counterfoil of the temporary receipt and the entry in the cash book.

NOTE.—Temporary receipt books should not be allowed to be in the custody of a head clerk or cashier beyond the minimum period necessary and they should be kept in the personal custody of the officer when he is at head-quarters.

**125.** Receipts in Account form No. 2 can be issued only by Divisional Officers, Sub divisional officers or any other officers specially authorised by the Government, and all persons regularly or frequently receiving money on behalf of Government should keep a cash book in P. W. A. form No. I.

**126:** When a section officer or other Government servant who is not in charge of a cash book collects departmental revenue on behalf of Government, he should not mix it up with the imprest or any other cash in his charge but pay or remit it at the earliest opportunity to the sub-divisional officer accompanied by a remittance slip or direct into a treasury, accompanied by a chalan in duplicate (vide article 83 of the Financial and Account code). The acknowledgment of the treasury (with an intimation of the full particulars of the receipt including the date of realisation) should be forwarded immediately to the sub-divisional officer to enable him to make the necessary entries in his cash book. The record of the transaction will be in the correspondence and not in the imprest account of the receiving officer.

The sub-divisional officer should, on receipt of the duplicate copy of the remittance slip along with cash or treasury receipt, fill in the two forms of memorandum of acknowledgment attached thereto, one intended to be the sub-divisional office copy and the other intended to be sent to the section officer, and send the latter forthwith to the section officer along with a permanent receipt for the amount received from him or remitted by him into the treasury. If the memorandum of acknowledgment and the permanent receipt are not received by the section officer within a week of his sending the cash or treasury receipt, he should forthwith report the fact in writing to the sub-divisional officer by name and obtain them.

**NOTE—1.** The section officer or other Government servant who receives money on behalf of Government should promptly issue to the payer a temporary receipt in P. W. A. form No. 2. The sub-divisional officer who maintains a cash book and to whom the money or treasury receipt therefor is sent should on receiving the money (with remittance slip) or treasury receipt make the necessary entry in the cash book and issue to the payer a receipt in account form No. 2 in confirmation of the temporary receipt granted by the officer who collected the money. The number of the temporary receipt, if any, issued with date and that of the permanent receipt should be recorded in the prescribed columns of the cash book. The entries in the cash book in such cases should be initialled and dated by the sub-divisional officer at the same time.

**NOTE—2.** If the headquarters of the section officer or other Government servant who receives money on behalf of Government are situated in or near a station where there is a treasury, he should remit the money into the treasury and send the treasury receipt with other particulars to his superior officer who maintains a cash book.

**NOTE—3.** The section officer or other Government servant receiving money should, at the end of every month, send to his superior officer in whose cash account the receipt will appear, full particulars (giving reference to remittance slip or treasury chalan and temporary receipt) of amounts collected and remitted by him during the month. The superior officer should personally verify the items with reference to the entries in the cash book and take prompt and efficient action in regard to discrepancies.



if any. He should also verify if the numbers of the temporary receipts and remittance slips relating to the transaction of a month in each section are continuous. If not, he should enquire immediately what the missing numbers pertain to and promptly take all necessary further action. When the transactions are nil, a nil statement should be sent. If the statement is not received on the date, it will be the duty of the superior officer to call for it.

### *II. Disposal of Receipts.*

**127.** Cash realised by the officers of the department should be paid, as soon as possible, into the nearest treasury, for credit as miscellaneous receipts of the department. Should a Divisional Officer or Sub Divisional Officer, however, require to make use of cash receipts temporarily for current expenditure, he may do so instead of obtaining fresh cash by cheques; but before the end of the month he must send to the treasury a cheque for the amount thus realised, drawn in his own 'favour and endorsed by himself, with the words 'received payment by transfer credit to the Public Works Department.'

**NOTE.** This rule does not apply to receipts realised by short payment on bills or other vouchers.

## **D. PAYMENT.**

### *I. Manner of Payment.*

**128.** Officers authorised to draw cheques should, as far as possible, pay by cheques; but see also paragraph 116.

**129.** It is permissible to make payments to suppliers of stores by obtaining remittance transfer receipts from the Divisional Treasury *vide* article 641 of the Financial and Account Code. Remittances for such purposes of amounts less than Rs. 5 for which remittance transfer receipts cannot be issued by treasury officers, may be made by anchal money order at the public expense. All payments in excess of B. Rs. 25 to be made outside the State, but within the Madras Presidency and all payments in excess of B. Rs. 100 outside Madras Presidency should invariably be arranged for through the Accountant General. Payments outside India should be made through the Accountant General except remittances not exceeding £ 1 (or the equivalent of that sum in any currency) which may be made by postal money order. Such payments will be arranged for by the Accountant General through the Imperial Bank of India—*vide* articles 141 and 142 Travancore Financial and Account Code.

**130.** As a rule no cheque should be drawn until it is intended to be paid away and cheques drawn in favour of contractors and others should be made over to them by the disbursing officer direct but the disbursing officer may be assisted in making disbursements by a cashier appointed for the purpose-- *vide* para 471 P. W. Department Code. The occasional delivery of cheques through a subordinate may be permitted at the discretion and on the responsibility of the disbursing officer. In such cases, the subordinate should make no entry in any accounts which he keeps as a payment made by cheque should appear in the cash account of the disbursing officer who draws the cheque and the subordinate's record will be in his correspondence.

**NOTE.** It is a serious irregularity to draw cheques and deposit them in the cash chest at the close of the year for the purpose of showing the full amount of grant as utilised.

**131.** Payments due to contractors may be made to financing Banks instead of direct to contractors provided that the department obtains (i) an authorisation from the contractor in the form of a legally valid document like a power of attorney or transfer deed conferring authority on the Bank to receive payment and (2) the contractor's own acceptance of the correctness of the account made out as being due to him by Government or his signature on the bill or other claim preferred against Government, before settlement of the account of claim by payment to the Bank. While the receipt given by the Bank holding a power of attorney or transfer deed from the contractor constitutes a full and sufficient discharge for the payment, contractors should wherever possible, be induced to present their bills duly receipted and discharged through their Bankers.

### *Prohibitory Orders or Injunctions.*

**132.** When money due to a contractor or other creditors is attached by a prohibitory order of a court and is afterwards paid into that court, the receipt (to be prepared by the Public Works Department) signed by the court should show that the payment is on account of an attached debt and should set forth *inter alia* the name and capacity of the actual creditor to whom the money is due by the department, on what account it is due and the number and the date of the court's order in accordance with which the payment is made. This receipt should be attached to the contract certificate or other bill in which the particulars of the creditor's claim are recorded and should be enfaced in red ink by a reference to that bill, the bill being correspondingly enfaced by a reference to the attached receipt of the Court.

## II. *Vouchers.*

**133.** As a general rule, every payment including repayment of money previously lodged with Government for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim. As far as possible, the particular form of voucher applicable to the case should be used. Suppliers of stores and others should be encouraged to submit their bills and claims in proper departmental forms. But bills not prepared in such forms should not be rejected if they set forth the necessary details of the claims. In such cases, the additional particulars required should be added by the disbursing officer.

When it is not possible to support a payment by a voucher, a certificate of payment prepared in manuscript, signed by the disbursing officer and endorsed if necessary by his superior officer, should always be placed on record. Full particulars of the claims should invariably be set forth and where this necessitates the use of a regular bill form, the certificate itself may be recorded thereon.

**134.** Every voucher must bear a pay order signed or initialled and dated by the responsible disbursing officer. This order should specify the amount payable both in words and figures.

Cashiers and others authorised to make payments on passed vouchers should make no payment without a proper pay order of the responsible disbursing officer recorded clearly in ink on the bill or other voucher. No payment should be made on a voucher or order unless it is signed by hand and in ink.

**135.** Except as provided in para 131 every voucher should also bear, or have attached to it, an acknowledgment of the payment signed by the person by whom or in whose behalf the claim is put forward. This acknowledgment should always be taken at the time of the payment.

(1) If a disbursing officer anticipates any difficulty in obtaining from the person to whom money is due a receipt in the proper form, it is open to him to decline to hand him the cheque or cash, or to make a remittance to him, as the case may be, until the acknowledgment of the payment with all necessary particulars has been given by him. In all cases of payment by remittance, a note of the date and mode of remittance must be made on the bill or voucher at the time of remittance. In cases of remittance by postal or anchal money order, the purpose of the remittance should be briefly stated in the acknowledgment portion thereof, *vide* note under rule 6 (iii) appendix 19 of the Financial and Account Code.

(2) In the case of articles received by value payable post or anchal, the value payable cover together with the invoice or bill showing the details of the items paid for may be accepted as a voucher. The disbursing officers should endorse a note on the cover to the effect that the payment was made through the post or anchal office and this will also cover charges for the postal or hundi commission.

(3) A certified copy (marked duplicate) of a receipted voucher may be retained by the disbursing officer, should this be necessary to complete the record of his office, but the payee should not be required to sign such a copy or give a duplicate acknowledgment of the payment.

(4) When a bill submitted by a contractor/supplier for supplies made to Government is endorsed in favour of a Bank, payment may be made to the Bank only if the bill is receipted by the contractor/supplier and endorsed in favour of the Bank.

To ensure the genuineness of the contractor's/supplier's signature in both (i) the receipt and (ii) the request to pay the amount to a Bank, the disbursing officer concerned should call for the specimen signature of the contractor or supplier or his agent who may be authorised to receive payment on his behalf, the signature in the case of an agent being also required to be attested by the contractor or supplier. The disbursing officer should satisfy himself that the signature both on the receipt and on the request to pay the amount to the Bank is genuine, by comparing it with the specimen signature obtained separately before payment is actually made.

**136.** General instructions regarding the preparation and completion of vouchers are given in Chapter V of the Financial and Account Code. The following supplementary instructions should also be observed :

(a) When the payee signs in an Indian language he should be required to note the amount acknowledged in the Indian language in his own hand-writing. In transliterating his acknowledgment, the amount acknowledged as well as any remarks made by him should also be reproduced in English.

(b) The disbursing officer is responsible that the full name of the work as given in the estimates (and other particulars specified in paragraph 262) or the head of account to which the charges admitted in a voucher are debitable, or to which the deductions or other credits shown in the Indian language are creditable, is clearly indicated on it in the space provided for the purpose or in some prominent position.

137. When vouchers or accounts exhibit any expenditure from which revenue may *prima facie* be expected to accrue, as for instance, when payment appears in a bill for removing material from a building or other work, either dismantled or undergoing repairs or for clearing jungle or cutting trees in the compound of buildings or in canal banks, etc., the necessary information should be given in the account or voucher concerned as to how the old materials removed or the trees cut have been disposed of and, if sold, when the sale amount will be credited in the accounts.

All vouchers for expenditure should, in such cases, invariably bear a note by the Divisional Officer/Drawing Officer as to whether the timber, etc., has a saleable value and if so, by what approximate date the value will be credited in the accounts after realisation by auction, etc.

138. Bills received from firms for supply of stores should be dealt with in original and submitted to the Audit Office as vouchers.

#### E. REMITTANCE TO TREASURIES.

139. The Officer in charge of a cash book should keep a book in P. W. A. form No. 4 in which he should enter all his remittances to the treasury as they are made—vide paragraphs 126 and 127. This book should accompany the cash.

Remittance into treasuries of cheques paid in as Public Works receipt should be entered in the Remittance Book, but in the place for remarks should be entered 'By Bank cheques' and the book need not be sent with the remittance, provided that the cheques are always endorsed as prescribed in paragraph 127.

NOTE: All payments of miscellaneous receipts made by public works officers into treasuries, whether acknowledged or not by the Treasury Officer in the same month, should be debited to the department as payments into treasuries. Differences, if any, between the amount debited and that acknowledged by the Treasury Officer should on no account be charged to a suspense head pending adjustment.

#### F. CASH ACCOUNTS.

##### I. *Cash Book.*

##### (a) *Up-keep.*

140. An account of their cash transactions should be maintained in the cash book Form No. 1 by all Government servants authorised, as a regular arrangement, to receive money on behalf of Government, as well as by those entrusted with making disbursements out of cash received by them in transfer from the divisional cash chest or obtained by drawing cheques on

the treasury. Government servants entrusted with fixed imprests or temporary advances should maintain and render accounts of their disbursements in imprest cash account P. W. A. form No. 2.

141. The cash book is one of the most important account records of the department. The detailed instructions prescribed for writing it up are given in the notes on P. W. A. form No. 1 and disbursing officers are required to observe them strictly in practice.

*(b) Balancing.*

142. The cash book must be balanced on the date prescribed for closing the cash accounts of the month, but when the transactions are numerous, a weekly or even a daily balance is recommended and it is advisable to count the cash whenever a balance is struck, or at convenient intervals, as this affords an independent check on the accuracy of the postings. The results of such intermediate counting should be recorded in the form of a note in the body of the cash book (column 8) so as not to interfere with the up-to-date totals; the actual balance of cash in the chest should invariably be stated in the note both in words and figures and the outstanding balance of imprests and temporary advances should be taken into consideration when certifying the accuracy of the cash chest balance.

*(c) Rectification of Errors.*

143. An erasure of the entry once made in the cash book is strictly prohibited. If a mistake has been made and it is discovered before the copy of the cash book has been submitted to the Divisional Office, the mistake should be corrected by scoring out the incorrect entry and inserting the correct one in red ink between the lines. The disbursing officer should initial every such correction and invariably date his initials. When the mistake is discovered too late for correction in this way, an intimation of the necessary correction should at once be sent to the Divisional Office accompanied by a proposed transfer entry, if necessary. Except as indicated above, no correction of any entry once made in his cash book should be made by a Sub Divisional Officer, unless authorised by the Divisional Officer to do so.

The same principles should be observed in correcting errors noticed in the Divisional cash book. If the accounts of the month have been closed, no corrections of errors in amount, classification, or name of work, should be made in that book. A suitable remark in red ink (quoting reference to the correction in accounts) should, however, be recorded against the original erroneous entry.

---

(d) *Verification.*

144. The disbursing officer is required to check all the entries in his cash book as soon as possible after the date of their occurrence and he should initial after the last entry checked. The cash book should be signed by him at the end of the month and such signature should be understood as fixing responsibility for all the entries of the month including the closing balance.

(1) The following is the memorandum of some of the more important parts of the verification :—

The disbursing officer should —

(i) compare each entry of payment with the gross amount chargeable as shown in the connected vouchers, seeing at the same time, that it bears (1) a payment order recorded by himself or the Divisional Officer, and (2) the certificate of disbursement signed by himself or an authorised subordinate and ticking off each voucher as it is passed ;

(ii) see whilst examining the postings of vouchers on the payment side, that all deductions shown in the vouchers other than deductions creditable to the head of account or work to which the payment relates, are posted as receipts on the receipt side of the cash book ;

(iii) verify the totalling of the cash book or have this done by some principal subordinate (other than the writer of the cash book) who should initial (and date) it as correct ; and

(iv) verify the total of the postings in the 'Treasury' column in the payment side by reference to the memoranda recorded by himself on the reverse of the counterfoils of cheques (vide note to paragraph 120.)

145. The actual balance of cash in each chest should be counted on the last working day of each month (i. e.) immediately after closing the cash account of the month under paragraph 142, but when this is not possible, the cash balance may be counted on the first working day of the following month before any disbursement is made on that date. A statement of the details of the actual balance should be prepared in P. W. A. form No. 5 and a certificate of the count of cash, specifying both in words and figures the actual cash balance (exclusive of imprest and temporary advance) should be recorded below the closing entries in the previous month's cash book. This certificate should be signed by the disbursing officer who should invariably date his signature.

Should it not be possible for the disbursing officer, owing to his absence, to make the count on the dates prescribed in this paragraph, he should do so at the earliest opportunity, recording the reason for the delay on the cash balance report.

146. Whenever on the contents of the cash chest being counted, the balance according to the cash book is found to be incorrect, it must, unless the error can be detected and set right at once under paragraph 143, be rectified forthwith by making the necessary receipt or payment entry 'to cash found surplus in chest' under deposit or 'by cash found deficient in chest' under 'Miscellaneous P. W. Advance' as the case may be. The administrative action to be taken on the occurrence of a deficiency must depend on the nature of each case.

NOTE—Actual losses of cash by theft or otherwise and irrecoverable personal advances in cases where the persons to whom the advances were made are no longer in the service of Government are to be charged to Establishment sub head 'Contingencies.'

## II. *Imprest Account.*

147. An imprest is a standing advance of a fixed sum of money given to an individual to make certain classes of disbursements which may be entrusted to his charge by the Divisional Officer or the Sub Divisional Officers in accordance with such rules and subject to such restrictions, as may be laid down by the Government. The amount of an imprest should not, however, exceed five hundred rupees in any case, without the special sanction of the Government.

148. The imprest cash account form is printed so as to facilitate copies being taken by carbon process. The first sheet should be retained by the Imprest holder and the detachable sheet supported by the necessary voucher should be forwarded to the officer from whom the imprest is held, whenever the imprest holder finds it necessary to have the amount recouped, or it is proposed to increase or decrease the amount of the imprest or to close the account altogether. The account must, in any case, be closed at the end of each month and rendered so as to reach the officer from whom the imprest is held, in time to enable him to incorporate the accounts in his cash book before it is closed for the month on the date fixed for the purpose.

149. The recouping officer should examine the imprest cash account and the supporting vouchers, initial and date the vouchers in token of approval and by a formal pay order (vide paragraph 134) recorded on the account, authorise the recoupment, enhancement, reduction or closing of the imprest, as the case may be. The



account should then be abstracted and incorporated in the cash book in the manner prescribed in notes on P. W. A. forms Nos. 1 and 2.

NOTE—A Sub Divisional Officer can authorise temporary reduction and recoupment of the imprests held by the subordinates in his sub division, but the enhancement, permanent reduction or closing of the accounts must be sanctioned by the Divisional Officer.

NOTE 2—Should any item in an imprest account appear to the recouping officer to be open to objection, the imprest should nevertheless be recouped in full and the item under objection should be classified under the head 'miscellaneous Public Works Advances' for watch under that account until either the objection is removed or the amount is made good by the imprest-holder.

**150.** The imprest-holder is responsible for the safe custody of imprest money and he must at all times be ready to produce the total amount of the imprest in vouchers or in cash.

### . III. *Temporary Advance Account.*

**151.** When a disbursing officer makes a remittance to a subordinate officer to enable him to make a number of specific petty payments on a muster roll or other voucher which has already been passed for payment, the amount remitted should be treated as a temporary advance and accounted for in the same way as an imprest. The account of a temporary advance should be closed as soon as possible.

(1) This rule applies also to cash taken out of the cash chest by the disbursing officer himself for making payments at a distance.

(2) Sub-Divisional Officers may authorise payment of passed nominal muster rolls up to a limit of Rs. 10 by section officers from their imprests.

### G. CHEQUE BOOKS AND RECEIPT BOOKS.

**152.** Cheque books required by Divisional and Sub-Divisional Officers authorised to draw on treasuries and sub treasuries should be obtained by the Chief Engineer from the Accountant General and sent to the Superintendent, Workshops who distributes them to the Divisional and Sub-Divisional Officers. Receipt books in Account Form No. 2 are obtained by them from the General Stores and issued to the Sub-Divisional Officers and Section Officers—vide Articles 127 and 128 of the Financial and Account Code.

**153.** Cheque books and receipt books should be carefully examined immediately on receipt by the officer concerned who should count the number of forms contained in each and

record a certificate of count on the fly leaf. In the case of books issued to the Sub Divisional Officers by the Divisional Officer, the certificate of the latter on the fly leaf will not dispense with the examination of the books on their receipt by the former. The Sub-Divisional Officer should make a fresh count in such cases and record a certificate of count again on the fly leaf as soon as the books come into his hands.

**154.** Counterfoils of used cheque books should be returned to the Divisional Officer for record in his office but those of completed receipt books should be sent back to the Sub-Divisional Officer after their check in the Division Office. The Sub-Divisional Officer should keep them in some safe or box the key of which remains in his personal custody.

---

## CHAPTER VI.

## Stores.

## A. INTRODUCTORY.

**155.** The general administration of all the stores of a division is vested in the Divisional Officer on whom primarily devolves the duty of arranging, in accordance with the rules, for (i) the acquisition of stores, (ii) their custody and distribution according to the requirements of works, and (iii) their disposal.

**156.** Government servants entrusted by the Divisional Officers with the care, use or consumption of stores, are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them.

**157.** All transactions of receipts and issues should be recorded strictly in accordance with the rules in the order of occurrence and as soon as they take place. Fictitious stock adjustments are strictly prohibited, such, for example, as (i) the debiting to work of the cost of materials not required or in excess of actual requirements, (ii) the debiting to a particular work for which funds are available, of the value of materials intended to be utilised on another work for which no funds are available, (iii) the writing back of the value of materials used on a work to avoid excess outlay over appropriation etc. Any breach of this rule constitutes a serious irregularity which will be brought prominently to the notice of the Government by the Accountant General.

**158.** (a) The accounts of stores are based on the fundamental principles that the cost of their acquisition should be debited to the final head of account concerned or the particular work for which they are required, if either of these can be determined at once; otherwise it should be kept in a suspense account pending clearance, as the materials are actually issued, by charge to specific heads of accounts or works.

(b) In accordance with this general rule, the cost of the supply of all stores required as tools and plant for the general use of the division is debited at once to the minor head 'tools and plant' subordinate to the major head under which such charges of the division are classified; and special items of tools and plant which are required not for general purposes but for a specific work are charged off to that work. See also paragraph 4 of Appendix II.

*Exception.* Tools and plant held in the workshops and stores division are held as part of stock and are accounted for as such, as

they are intended for issue to other divisions and departments. When so transferred the division receiving them will deal with them as in the rules in para 202 et seq.

(c) Similarly all road metal required for the maintenance of a road or section of a road is charged at once to the minor head "Repairs" (communications) against the estimate sanctioned for the collection of it and when road metal is acquired specially for use in the construction of a road or other work, its cost is debited to the estimate for such construction.

(d) In the case of other materials when purchases are made for the requirements of works generally, the cost is accounted for under the suspense head 'Stock' vide paragraph 494 of the Public Works Department Code. Materials purchased specially for a work are, however, charged to that work.

**159.** The four classes of stores enumerated in paragraph 476 of the Public Works Department Code thus fall into two distinct categories as shown below:-

1. *Stores charged to suspense*

(i) Stock

2. *Stores finally charged off*

(ii) Tools and Plant

(iii) Road metal

(iv) Materials charged to works

**160.** A numerical or quantity account of receipts, issues and balances has to be maintained for all stores, even though finally charged off, with a view to control the balances efficiently until the stores are finally disposed of either by consumption on works or otherwise. This quantity account has further to be reconciled periodically with the value accounts except in the case of tools and plant and road metal. The rules in this chapter are framed on the principle that, as far as possible, the initial records of all stores, as also the returns of Sub-Divisions should take account of quantities only and that the value accounts should be maintained in the Division Office.

**NOTE.** Accounting of coaltar, pitch and asphalt which are required for road surfacing, for maintenance estimates and for minor estimates for renewal will be carried out in the same way as in the case of road metal, vide para 158 (c) of this Code.

**B. STOCK**

*I. General*

**161.** The stock of a division is sometimes kept in a single go-down or yard in the charge of a store-keeper or other officer, or

each Sub-Divisional Officer may have separate stock in his charge either at his headquarters or scattered over the sub-division in the direct custody of subordinates or other sectional officers. Again the stock although scattered over the entire division may be in the general charge of a single official and the Sub-Divisional Officers may merely indent upon him, he keeping all the accounts. The rules prescribed below will apply whatever be the arrangement in force in the division.

**162.** Stock accounts should be maintained in the Sub-Divisional Office. A separate account should be kept in the division office of any stock which is directly under the charge of the Divisional Officer or of an officer under him and not under the orders of a Sub-Divisional Officer.

## II. Quantity Accounts.

### (a) Receipts.

**163.** Materials may be received on stock from the following sources :—

- (a) Suppliers
- (b) Other sub-divisions, divisions or departments (including P. W. Workshops)
- (c) Manufacturer
- (d) Works, buildings etc.

In all cases there should be proper authority for the receipt by the store-keeper or the section officer concerned of materials to be brought on stock. This authority should be given in writing by the Divisional Officer or by the Sub-Divisional Officer, if so authorised.

**164.** All materials received should be examined and counted or measured, as the case may be, when delivery is taken. The record of the detailed account or measurement should be kept in the measurement book in the manner prescribed in paragraphs 268 and 269 and the total number or quantity received should be simultaneously entered in the register of stock receipts P. W. A. Form No. 8. Such acknowledgment as may have to be given to a supplier for stores received from him can be signed only by the Divisional or Sub-Divisional Officer. Any certificate that the store-keeper or section officer concerned may be called upon to record in respect of the receipt of stores for this or any other purpose (*vide* paragraph 175) should be given in the following form :—

Received on... ..and duly recorded in the register of stock receipts.

See also page.....of Measurement Book No.

Date.....

(Signature.)

In the case of the general stores attached to the Workshops Division, the record of detailed count or measurement is made in Form No. 8 Register of Stock receipts with suitable modifications. A daily report of receipts one for each sub-section of stores should also be simultaneously prepared from which the quantity and value ledgers are subsequently posted.

(b) *Issues.*

**165.** Materials may be issued from stock for the following purposes ; —

- (a) For use on works either by issue to contractors or direct (*Vide* para 296)
- (b) For despatch to other sub-divisions, divisions or departments.
- (c) For sale to contractors, employees, other persons or local bodies with the sanction of the authority competent to order such sale—vide paragraph 603 and 624, P. W. Department Code.

They should be issued only on receipt of an indent in P. W. A. Form No. 6 signed by the Divisional or Sub Divisional Officer.

**NOTE 1.** When examining registers of stock, issues and works abstracts, Sub-Divisional Officers should see that in practice this rule is observed strictly and they should deal suitably with instances of unauthorised and excessive issues to works made by Sectional Officers without due cause.

**NOTE 2.** The term 'works' includes manufacture operations, vide Note to paragraph 171.

**166.** Indents should be filled up carefully as all subsequent accounting depends upon it. In the column 'Head of Account', besides entering the name of the account head to which the issue of stores is chargeable, full names of divisions and offices to which stock is to be issued and of contractors, employees, other persons or local bodies to whom it is authorised to be sold, should be added in all cases in which stores are ordered to be issued otherwise than for the requirements of works within the division. The last column, headed 'Name of work etc.' should be filled in only when the stores are required for works within the division and in such cases the full name of the work as given in the estimates should be entered as well as the name of the contractor from whom the value is recoverable (*vide* paragraph 296).

**167.** When issuing materials from stock, the Store keeper or Section Officer should examine the indent (Form No. 6) and sign it in the space provided for the purpose, after making suitable alterations (attested in each case by his dated initials) in the description and quantities of materials, if he is unable to comply with the indent in full. He should then prepare and sign the form of invoice attached to the indent according to the supply actually made and

simultaneously make an entry in his register of stock issues, P. W. A. form No. 8. The indent should be returned at once to the indenting officer and the signature of the officer receiving the materials should be obtained, as soon as possible, on the invoice which should be treated as a voucher in support of the entry in the register.

(i) It should be seen that the acknowledgement of materials is signed either by the person to whom they are ordered to be delivered or despatched or by a duly authorised agent. This precaution is specially necessary in the case of issues to contractors and private persons whose acknowledgements should set forth all the particulars mentioned in paragraph 304.

(ii) Rule 1 applies also to issues made to contractors by the Section Officer himself without the production of an indent signed by higher authority (vide paragraph 165).

**168.** When making entries in the register of stock issues, the Store-keeper or Section Officer should pay particular attention to record in the columns headed 'to whom issued' and 'head of accounts etc. the full particulars as given in the last two columns of the indent or as otherwise known to him,

If the materials are issued for use on a work, the particulars required to be entered in the column 'name of work etc.' of Form 6 (vide paragraph 166) should invariably be given in the column 'to whom issued'.

**169.** As an exception to the general rule in paragraph 157, that all stock transactions shall be shown in the accounts as soon as they occur, issues of petty stores by a section officer direct to works (vide para 296 (ii) under his supervision may be shown in the accounts collectively once a month when closing the accounts of the month.

(c) *Monthly abstract of receipts and issues.*

**170.** The receipt and issue transactions of the entire Sub-Division should be abstracted monthly in a single abstract of stock receipts (Form No. 9) and in a single abstract of stock issues (Form No. 10) These forms should be posted in the Sub-Division Office from the registers of stock receipts and stock issues, P. W. A. Form No. 8, entries being made only in respect of quantities.

(i) The several transactions of the month need not be entered severally in the abstract, it being sufficient to show as a single transaction, the total receipts from each source or the total issues to each account or work. The quantities received (or issued) in each transaction should be noted in the lower part of the abstract, against the entry of the transaction, in separate columns for each distinct

article of stock, these columns being so written up as to group the article by the prescribed heads of stock. After all transactions of the month have been posted, the total receipts (or issues) of each article should be computed and noted in the column headed 'quantities, in the upper part of the form. No entries need be made in the sub-division office in any of the money columns in either part of the form, as these will be filled up in the Division Office, vide paragraph 182.

(ii) In posting column 1 of the abstracts, those receipts and issues of the month which represent transactions, the value of which is brought to account in the same month through the cash book or transfer entries, should be separated from transactions not so brought to account within the month (see paragraph 500.)

(iii) It is left to the Sub-Divisional Officer to make the most suitable arrangements for collecting the information required to complete these abstracts. The registers of stock receipts and stock issues of subordinates stationed at the sub-division headquarters may be obtained in original and store-keepers and section officers at out stations may be required to furnish copies of their registers. Care should be taken to reconcile all transfers of stock between subordinates of the same sub-division and reconciled transactions connected with such transfers within the sub-division should not appear in the abstracts of the sub-division.

(iv) The registers of stock receipts and stock issues maintained by section officers may, if necessary, be closed a little earlier than the date fixed for the closing of the sub-division accounts, (see Rule 1 to paragraph 465.)

**171.** When abstracting the transactions recorded in the registers of stock receipts and stock issues, care should be taken to observe strictly the prescribed accounts classification, vide Appendix I. It is not sufficient to enter the name of the major head affected; but the minor and detailed heads should also be stated, as well as the additional particulars mentioned in paragraph 168.

**NOTE.** Although 'manufacture' is a sub-head of stock account, issues of stock to manufacture operations and receipts of out turn from manufacture should be accounted for in the same way as issues to or from any other distinct head of account and each manufacture operation should be treated as a separate work, see paragraph 58.

**172.** The quantity accounts of a particular month show all quantities received or issued in that month, but the corresponding cash payment, cash recovery, or other adjustment may not always appear in the divisional accounts of the same month. To secure agreement between the quantity and value accounts, receipts and issues, the value of which cannot be adjusted in the accounts of the



month in which the actual transactions take place, should be accounted for in the abstracts under suspense heads 'purchase' and 'miscellaneous P. W. advances' respectively, (see also rule (ii) to paragraph 170.)

(d) *Half yearly Balance Return*

173. (a) The total quantities of the receipts and issues of each article of stock, as recorded in the monthly abstracts, forms 9 and 10 should, before the abstracts are transmitted to the Divisional Officer, vide paragraph 468, be posted in the half yearly balance return, P. W. A. form No. 11 in the column provided for the month concerned, both under 'receipts' and 'issues'. As soon as the receipts and issues of the last month of the half year are posted, the closing balance should be worked out and entered both in column 21 'closing balance carried forward' of the return for that half year and in column 6, 'balance brought forward' of the return for the next half year.

(b) A separate return in this form should be prepared for each of the half years ending Makaram and Karkatagom embracing transactions up to the date on which the monthly accounts of the sub-division are closed. The return for each half year should embrace all articles in stock.

(c) Columns 22 and 23 of the form of the return are provided so as to give the Sub-divisional and the Divisional officers an opportunity of commenting on the conditions of the stores or on the rates and of noticing cases in which the balances are in excess of requirements.

(e) *Corrections.*

174. (a) Any errors that may be discovered in the monthly abstracts, before the accounts for the month are closed, may be set right by the Sub-divisional or Divisional officer. Such corrections should be made neatly by scoring out the incorrect figures or other entries and writing the correct ones above them and they should be attested by dated initials.

NOTE. Store-keepers and section officers may similarly correct their respective registers of receipts and issues before submitting them to the Sub-Divisional officers.

(b) Mistakes subsequently noticed should not be corrected except in accordance with a formal transfer entry or under instructions received from the divisional office.

(c) Erroneous entries noticed in a half yearly balance return which has not yet been submitted to the division, may be corrected by the Sub-Divisional officer, only if the corresponding entries in the monthly abstracts concerned, or in the previous half yearly return, are correct or have been duly set right.

### III. Value Accounts.

#### (a) *Payment for stock received.*

**175.** Bills of suppliers should, before payment, be examined and dealt with in the manner prescribed in paragraphs 263, 274. and 285.

Special attention is invited to the rule in paragraph 281, the object of which is to prevent erroneous or double claims being put forward successfully. Store-keepers and section officers may, if desired, be required to verify suppliers' bills before payment (*vide* para 164) but the disbursing officer is responsible that no payment is made unless the precautions referred to above have been observed.

**176.** Cash payment should not be made for stock received from other sources except in accordance with the rules in Appendix 15 of the Financial and Account Code. When under those rules payment for supplies made by any department is made in cash, the claims of such department should be dealt with in the same way as those of suppliers. In other cases, the necessary adjustment of the cost, through the remittance or other head concerned, should be made by the division office in accordance with the instructions in chapters VII and XV after obtaining a verification of the claim which should not be certified without crossing off the connected measurement book entries with a suitable remark (*vide* paragraph 164.)

#### (b) *Recoveries for stock issued.*

##### (i) *Issue rates.*

**177.** An issue rate is assigned to each new article as it is brought on stock. This rate is fixed on the principle that the cost to be charged to works on which the materials have to be used should approximately equal the actual cost of the stores and that there may be no ultimate profit or loss in the stock accounts. It should provide, beyond the original price, for carriage and other incidental charges, if any, actually incurred on the acquisition of stores, such as :—

- (i) the expenditure on work-charged establishment employed on handling and keeping the initial accounts,
- (ii) the expenditure on the custody of stock,
- (iii) the expenditure on the maintenance of the store go-down or yards, and
- (iv) losses from depreciation or wastage.

(1) It is not necessary that the issue rate for an item should be the same in all sub-divisions ; but a uniform rate should ordinarily be prescribed for all localities in a sub-division.

(2) The issue rates should be worked out to the nearest chackram, as far as possible.

(3) In the case of the plant and machinery of the P. W. Workshops which are borne under stock, (*vide* exception to para 158) the original book value shall include the original price fixed and the cost of carriage to the stores. This book value shall be depreciated annually by the percentage fixed for 'depreciation' in conformity with the rule (viii) in paragraph 514 of the Public Works Department Code.

An estimate for working expenses of plant and machinery in the Stores Division shall be sanctioned under stock and the net expenditure or receipt transferred at the end of the year to 36 Buildings etc., Tools and Plant or to the receipt head 'XXVII Buildings, etc. (e) Fines and Refunds and (m)—Miscellaneous' as the net result is a loss or profit. The portion of the hiring charges realised shall be credited direct to the head XXVII--(m).

178. As purchases are made or contracts for the supply of materials are entered into, variations in cost should be watched and if these are appreciable, issue rates may, and in important cases shall, at once be raised or lowered, as may be necessary. Further, when closing the half yearly register of stock (para 188), all rates must be reviewed and revised, if necessary, to bring them within the market rates.

179. If the issue rate of an article of stock is appreciably less than the market rate, the following precautions should be taken in addition to any restrictions on sales or on issues outside the division which the divisional officer may prescribe.

(a) Issues to contractors in pursuance of paragraphs 302 and 303 should be restricted to the bonafide requirements of the works. Excess issues to contractors and sales should be charged at the market rates.

(b) Issues to other divisions and departments may be made at a rate higher than the issue rate.

180. A storage rate is fixed annually for the P. W. Workshops on the basis of the actual storage charges incurred in the year preceding the year which is previous to the year in question. This rule may with the sanction of Government be extended to any other stores in which appreciable storage charges are incurred.

#### (ii) *Mode of Recovery.*

181. (a) The Sub-Divisional Officer or the Divisional Officer, as the case may be, is responsible that the value of materials sold to municipalities and other local funds and the public, and of issues made to contractors for private use, is recovered in cash at the earliest opportunity.

Sale account in P. W. A. form No. 19 should be prepared in support of every such sale.

(b) All adjustments of the value of stock issued except on sale should be made by the Divisional Officer as in the case of receipts, (*vide* paragraph 176.) The Sub-Divisional Officer, is, however, responsible for the clearance, from works accounts, of all outstanding against contractors on account of the recoverable value of materials issued to them by charge to works.

\* (c) The 20 per cent. supervision charge should be realised in addition to the value of stock in all cases in which it is recoverable under paragraph 506 of the Public Works Department Code; but the amounts recovered on this account should not be treated as receipts on account of stock, but as revenue receipts or receipts on capital account, as the case may be.

(c) *Valuation of Quantity Accounts.*

182. When received in the Division Office, the abstracts of receipts and issues will be incomplete in respect of (i) the values of quantities shown as received and issued (ii) the calculation of the storage charges on the issues and (iii) cash or adjustment charges on account of manufacture operations, storage and incidental charges, such as those for carriage, loading and unloading of stock materials. They should now be completed in all these respects; (*Vide* rule 1 to paragraph 170.)

(1) The lower part of each abstract should first be taken up. In this part, quantities of the several articles received or issued in connection with each transaction have already been entered separately in the column provided for this purpose—*vide* rule (1) to paragraph 170.

These quantities should now be valued by recording the amount of each just below it and the total value of each transaction should be shown in the first money column (third column of P. W. A. form No. 9 or sub column 1 or the second money column of P. W. A. form No. 10 as the case may be). In P. W. A. form No. 10, storage charges should be calculated on the book value entered in sub column 1 and shown in column 2 and a total of these two columns should be entered in the third money column against each transaction. Total should be struck in the 3rd money column 'Total,' separately for each head of account. The upper part of the form should be valued next. The total of the values entered against each article in the lower part should be shown in the column

---

\* NOTE 1:—The 20 per cent. charges referred to in (c) above should not be levied on stock materials issued to the works in items (a), (b) and (c) of rule 6 of Appendix II as centage charges are separately leviable on them.

headed 'amount' (separately for each article) against that article, it being seen further in the case of issues that this total is equal to the rate for the article multiplied by the total quantity. Finally, the entries in the last money column should be totalled up, both for each sub-head of stock and for the whole abstract. In P. W. A. form No. 10, the total of the second money column in the lower part should be shown against the line 'total storage' in the upper part and grand total struck in that part. The grand total should agree with the total of the 3rd money column 'total' in the lower part of the form. The cash and transfer entry debits and credits to stock (*vide* rule 2 to paragraph 170) should be agreed with the transactions pertaining to stock brought to account in the cash book and the transfer entry book—(*vide* paragraph 500.)

(2) Receipts should be valued on the basis of the prices paid or payable as per bills or other claims. Extra charges when paid or adjusted, should be posted as separate items without quantities.

(3) Issues should be valued at the issue rates fixed for the purpose—(*vide* paragraphs 177 to 179.)

(4) All entries made in the Division Office should be in red ink to distinguish from those made in the Sub-division Office.

**183.** Carriage and other incidental charges should be debited to stock only when they are incurred in connection with the general stock requirements (see also paragraph 364). These charges should be adjusted against the particular sub-heads under which the item is classified or the sub-head storage of the stock account according as the charges have been incurred before or after the acquisition and delivery of the stores at the go-downs.

**184.** To classify and collect by objects of expenditure, the charges debited to stock from time to time, the same procedure should be observed as is adopted in respect of expenditure of works, that is works abstracts and registers of works should be maintained. (see also paragraph 494.)

#### IV. Half-yearly Register of Stock.

**185.** An account should be maintained in the Division Office to record month by month, separately for each sub-division, the transactions relating to each item of stock. This account should be in P. W. A. form No. 12, Half yearly register of stock, which is in three parts :

Part I—The Register

Part II—The summary

Part III—The Review.

**186.** Part I should as regards quantities be posted monthly from the sub-division abstracts, P. W. A. forms Nos. 9 and 10, and balanced half yearly in the same manner as the sub-division half

yearly balance returns, (*vide* paragraph 173.) The only values to be posted should ordinarily be the aggregate values of the total receipts and issues for each sub-head, as recorded in the upper part of these abstracts. But if it is desired to maintain a value account of the receipts, issues or balances of any particular items, there is no objection to value being recorded, in red ink, immediately below any of the quantities.

The Register should be laid before the Divisional Officer within a week after the submission of the monthly accounts to the Accountant-General.

**187.** At the end of the half year, the closing balances of quantities should be reconciled with those shown in the half yearly balance returns received from Sub-Divisional Officers (*vide* paragraph 469). The closing balances of the aggregate values of sub-heads should also be struck. Their reconciliation with the accounts will be effected through Part II, (*vide* paragraph 189.)

**188.** The register should then be closed, the following instructions being observed in respect of money columns 20 to 24 :—

(a) Market rates (column 24). This column should be filled up, in respect of each item, under the orders of the Divisional Officer by a person other than a ministerial subordinate. It should be written up at or about the close of the half year but before any entries are made in the column for future issue rates.

(b) Current issue rates (column 20). This column should have been filled up at the commencement of the half year in respect of items brought forward from the previous half year, and subsequently, from time to time in respect of new items and items the rates of which are revised during the half year.

(c) Value of current issue rates (column 21). This column should be written up at the close of the half year and should represent the value of the closing balance at the issue rates current during the last month of the half year.

(d) Future issue rates (column 22). This column should show the rate for issues during the following half year which should be fixed, separately for each item, in accordance with the principles laid down in paragraph 177 but should in no case be in excess of the market rate. When opening the register for the following half year, the rates as shown in this column should be transcribed into the column for current issue rates of that register.

(e) Value at future issue rates (column 23.) This column should show against each item the value of the closing balance at the future issue rate. The entries in this column should be totalled by sub-heads of stock for each sub-division, and to or from the

total should be added or deducted as the case may be, amounts which have been debited to stock in advance of the actual receipt of stores and other debits or credits which are awaiting adjustment under the sub-head concerned for known reasons (to be recorded.) If the resultant figure does not agree with the corresponding book balance as brought out in column 19 (*vide* para 187) an adjusting entry (plus or minus representing respectively the deficit or surplus due solely to the revision of rates) should be made and a further total struck which should agree with the book balance.

**189.** Part II. Summary, is intended to serve two purposes :

(i) to prove the value balances brought in column 19 of Part I (*vide* paragraph 187) and consequently the amounts of the surpluses and deficits requiring adjustment in consequence of the revision rates, and

(ii) to abstract the value balances so as to bring out by sub heads of stock for the entire division, the aggregate value at current issue rates side by side with the balances as shown in the accounts.

**190.** When Part II is completed, the Divisional Accountant should write up his report in Part III and submit it to the Divisional Officer who will then review the register of stock and record his remarks and orders in Part III.

(1) This review should be directed to see specially that stores are priced in accordance with the rules, that stocks are taken periodically by responsible officers, and that stocks of individual items are regulated on a consideration of actual requirements of the near future and with due regard to the average consumption of the past and to the prevailing market conditions. The object to secure is that the stock on the register shall consist only of efficient and necessary articles priced within the rates at which they could be purchased at the time.

### V. Ledger.

**191.** The maintenance of a continuous ledger for each article of stock is not necessary. It is permissible, however, to use loose card or leaf ledgers, in suitable form, in cases, *e. g.*, those of electrical stores where the number of articles handled is large and frequency of transactions renders it desirable to maintain, in respect of each article, a day to day record of the quantities received and issued presenting the resultant balance after each transaction. Where this system is adopted, the following instructions should be observed :—

(a) The card or leaf ledgers should be written up in respect of quantities only but, if values are entered therein for any purpose, they will not be recognised for purposes of accounts.

(b) They should not replace the register of stock P. W. A. form No. 12 but should on the other hand be reconciled therewith at convenient intervals.

(c) If the maintenance of the registers of stock receipts and stock issues (form No. 8) is considered unnecessary, they may be dispensed with, provided that suitable arrangements are made for the abstracts of stock receipts and stock issues to be written up as transactions take place either by a responsible official or on the authority of written reports signed by such an official and supported by necessary vouchers.

(d) The ledgers, if necessary, may be kept in a convenient position in the store go-down, but they should be kept locked, the keys being in the custody of the persons responsible for making entries therein.

**192.** A peripatetic staff of two clerks working under the control of the Accountant-General shall go about from stores to stores and check the account balance.

**193.** The audit shall be closely followed by a physical verification of stores by a technically qualified officer not below the rank of a Supervisor (Rs. 100-150 grade). He should work under the control of the Accountant-General. The verification will be done half yearly.

### *VI. Stock taking.*

**194.** The results of all verifications of stock (*vide* paragraph 495 P. W. Department Code) should be reported to the Divisional Officer for orders ; but as soon as a discrepancy is noticed, the book balance must be set right by the verifying officer, treating a surplus as a receipt and a deficit as an issue with a suitable remark.

**195.** (a) The value of stores found surplus should be credited at once as a revenue receipt or a receipt on capital account, as the case may be.

(b) The value of the deficit should, however, not be charged off finally, but kept under 'miscellaneous P. W. Advances' pending recovery or adjustment under orders of competent authority. When the loss is declared to be irrecoverable and its write off ordered, a transfer entry should be prepared closing the head 'miscellaneous P. W. Advances' by debit to.

(i) the works for which the stores were specially collected if the accounts thereof are still open, or



- (ii) the general head 'losses on stock' under one or more major heads, as may be decided by competent authority, on a consideration of the objects for which the stores were stocked.

196. The rule in paragraph 496 of the Public Works Department Code requires that the stock-taking of a sub-division may go on gradually throughout the year. The stocks of an article in a sub-division may, however, be scattered, and it may, therefore, not be possible in such a case to test the aggregate book balance of any article for the sub-division, by an actual verification of all the stocks of it at the same time. Where such conditions prevail the following expedients may be adopted.

(a) Section officers may be required to maintain quantity accounts of receipts, issues and balances (in a form similar to the half-yearly balance return) of stock materials in their charge. These accounts should be posted monthly from the registers of stock receipts and stock issues before the latter are submitted to the Sub-divisional Officer.

(b) These accounts should be submitted to the sub-division office at the close of each half year for record after reconciliation with the half yearly balance return of the sub-division.

(c) As far as possible, the various stocks, in charge of a section officer, of each article, should be verified at or about the same time, so that the difference between the section book balance and the actual balance may at once be known. This difference should be adjusted in the manner prescribed in paragraph 194 without waiting for the results of verification of stocks in other sections.

(1) Before the adjustment of a difference is accepted finally by the Sub-Divisional Officer, he should test the correctness of the Section officer's book balance by reference to the records of his own office.

(2) The Section officers should be required at the time of the stock-taking to bring to account all issues to works made since the closing of the previous month's accounts.

197. In the cases of special stores, depots, or divisions or of construction divisions, where there may be large concentration of stores, their physical verification should be done by the executive authorities in such detail as may be decided by Government in consultation with the Accountant-General.

#### *VII. Rectification of accounts.*

198. Clerical errors in value accounts should be dealt with generally under paragraph 143 (see also paragraph 174). Corrections of errors discovered after closing the accounts of the month, should when permissible, be made (i) by making entries of values (without quantities) in the stock accounts of the current month when no change is to be made in the head of account affected, and (ii) by preparing transfer entries in other cases.

**199.** Other corrections in stock accounts may be necessary in the following cases :

(i) When quantities are found surplus or short, either as the result of stock taking, or otherwise, vide paragraphs 495, 500 and 501 of the Public Works Department Code.

(ii) When issue rates have to be raised or lowered, vide paragraph 178.

(iii) When stores of any description become unserviceable (vide paragraph 507 of the Public Works Department Code) and have to be removed from stock.

**200.** These corrections should be effected in the following manner :—

(a) Both in quantity and value accounts all additions to quantities should be treated as receipts, and reductions therein as issues, a suitable remark being made in the entries in forms 8, 9 and 10 (see also paragraph 194 and 195). These entries must be made as soon as the differences in quantities come to notice, but in the case of materials to be declared unserviceable, no adjustment should be made until receipt of orders from competent authority which should be obtained on a survey report in P. W. A. form No. 18.

(b) Alterations in rates made when closing the register of stock should be carried out as indicated in paragraph 188 d. Those made on other occasions should be noted at once in part I of the register of stock by making a fresh entry (with the month of change) in column 20. The resultant rectification of the value of the stock balance should, in all cases, be made only when the register of stock is closed, vide paragraph 188 e. The adjusting entries referred to in that paragraph should, however, be cleared on receipt of orders of competent authority, this clearance being effected by making suitable value entries, without any quantities, in the abstracts of receipts and issues, forms 9 and 10 as the case may be, the values being classified in accordance with the principle enunciated in paragraph 195.

**201.** No correction will be made in the accounts in respect of stores declared to be in excess of requirements, vide paragraph 498 of the Public Works Department Code. Such stores will continue to be borne in the stock account until transferred elsewhere or otherwise disposed of in the ordinary course.

## C. TOOLS AND PLANT.

### 1. General.

**202.** The tools and plant of a division are of two kinds :

(a) General or ordinary tools and plant, *i. e.* those required for the general use of the division.

(b) Special tools and plant *i. e.* those required not for general purposes, but for a specific work.

The cost of the supply, repairs and carriage of articles of class (a) is charged to the minor head 'tools and plant', whereas similar charges of class (b) are borne by the work concerned. In both cases, estimates for the purchase of tools and plant should be prepared and sanctioned and the cost incurred against sanctioned estimates in the same way as expenditure on works. See paragraphs 602, 624 and 641 of the Department Code as regards powers of sanction.

NOTE.—See exception under paragraph 158 b and rule (3) under paragraph 177 of this Code, with regard to tools and plant in the workshop and store Division.

**203.** Numerical accounts of articles of both classes should be kept in accordance with the following rules, a separate set of accounts being maintained in each sub-division and one in the division office.

(1) The rules relating to numerical accounts of tools and plant apply also to imperishable articles e. g. typewriters, furniture of rest houses and camp sheds and Government houses, surgical instruments and hospital furniture etc. of special P. W. D. dispensaries whether acquired by charge to heads of account other than 'tools and plant', or received free of cost.

NOTE.—The sub-division returns in P. W. A. forms 13 and 14 and of the monthly accounts of receipts and issues respectively of tools and plant should be carefully filed together in the division office after audit, vide para 210.

**204.** The accounts of tools and plant issued for use by subordinates of the sub-division, or temporarily lent to contractors, as well as those articles lent to local bodies and others under competent authority, should be specially reviewed periodically and it should be seen that the articles are returned without unnecessary delay and in good condition.

This paragraph also applies to tools and plant sent out for repairs.

## II. Numerical Accounts.

### (a) Receipts.

**205.** All articles received should be examined and counted when delivery is taken and the transaction should be posted in the Account of Receipt of tools and plant, form No. 13. Such acknowledgment as may have to be given to the person from whom the articles are received, can be signed only by the Divisional or Sub-Divisional Officer. An acknowledgment should invariably be given when articles lent are received back.

(1) The record of the detailed account should, in the case of purchases from suppliers, be kept in the measurement book in the manner prescribed in paragraphs 268 and 269.

(2) The entries in form No. 13 in respect of the receipt back of articles lent or sent out (*vide* paragraph 204) should be made in red ink, with a reference to the original entries in the Account of issues of tools and plant.

*(b) Issues.*

**206.** All transactions of issues (including those of articles referred to in paragraph 204) should be posted in the Account of Issues of tools and plant, P. W. A. form No. 14. Except in the case of cash sales, unstamped but dated acknowledgments must be obtained in support of all issues and in the case of tools etc., lent to contractors, such acknowledgments should further set forth the valuation of the articles lent as determined by the Sub-Divisional Officer, see also rule (1) to paragraph 167.

(Entries of articles referred to in paragraph 204 should be made in red ink).

*(c) Register of tools and plant.*

**207.** A consolidated account of receipts, issues and balances of tools and plant should be maintained in the sub-division office in P. W. A. form No. 15-Register of tools and plant. This account should be for the twelve months ending Makarom, (*i. e.*, it should embrace transactions up to the date on which the accounts of the month are closed). It should be kept in three parts :

Part I. For articles in hand.

Part II. For articles temporarily lent or sent out  
*vide* paragraph 204.

Part III. For shortage awaiting adjustment.

In part I, articles should be grouped under the prescribed sub-heads, which are—

- (i) Scientific instruments and drawing materials,
- (ii) Plant and machinery,
- (iii) Tools,
- (iv) Navigation plant,
- (v) Camp equipage,
- (vi) Live-stock, and
- (vii) Office furniture.

In part II, the entries should be made in a separate section for each contractor or other person to whom the articles are lent or sent out for repairs etc. Part III is brought into use only if any shortages come to notice and the instructions relating to it are given in paragraph 219.

**208.** Parts I and II of the register should be posted thus :—

(a) The accounts of receipts and issues, P. W. A. forms 13 and 14 should first be totalled up monthly when closing the accounts of the month.

(b) The total receipts and issues of each article thus arrived at should be posted in Part I of the register, form No. 15 in the columns for receipts and issues respectively.

(c) Each separate transaction connected with articles lent or sent out (vide paragraph 204) should further be posted in part II in the section reserved for the contractor or person concerned, articles lent etc., being shown under 'debits' and those received back under 'credits'.

**209.** As soon as the transactions for the month of Makarom have been posted, the account should be closed and balanced and the closing balances should be carried forward to the next year's return.

**210.** *Check in Division Office.* The monthly account of receipts and issues of tools and plant in forms 13 and 14 received from the Sub-Divisional Officers should be checked in the Division Office so as to see that all tools and plant purchased or transferred from other divisions or sub-divisions have been brought on to form No. 13 and that all issues of tools and plant are supported by receipts of the parties concerned and that, in the case of transfers they have been brought on to the account of receipts in form No. 13 of the sub-divisions concerned. The annual returns of the sub-divisions in form No. 15, Register of tools and plant, should also be checked with the monthly returns in forms 13 and 14 before submission to the Accountant General.

### III. Payment for supplies.

**211.** Payment for tools and plant received from suppliers and other sources should be made generally in the manner prescribed for stock receipts in paragraphs 175 and 176.

### IV. Recoveries.

(a) *For use of tools and plant.*

**212.** The procedure to be observed in charging the cost of tools and plant in the accounts of a division and in making adjustments on account of cost of tools and plant used on works executed on behalf of other divisions, departments etc., and on certain works of the division itself, is described in Appendix II. When tools and plant are lent to local bodies, contractors or others, vide paragraph

204, the hire and other charges due should be recovered regularly in accordance with the rules in para 514 of the Public Works Department Code.

NOTE :—To avoid disputes about the levy of hire charges on particular articles lent by Government, contracts should invariably specify in their agreements what tools and plant, if any, are to be supplied free of charge to the contractor.

(b) *For sales and transfers.*

213. The Sub-Divisional Officer is responsible that when tools and plant are disposed of by sale or otherwise, with the sanction of competent authority, the amount recoverable from the parties concerned is realised at the earliest opportunity. If the amount is not received within the month in which the articles are delivered, it should be charged to miscellaneous P. W. Advances as a sale transaction, by the issue of a transfer entry.

(1) A sale account in form No. 19 should be prepared in support of every transaction.

214. When tools and plant are transferred to other divisions or departments, the Sub-Divisional Officer should note in form No. 14 in red ink just below the entries of quantities, the values thereof if recoverable under the rules in chapter XV. The necessary adjustment will be effected by the division office.

215. The foregoing rules will apply equally to special tools and plant the cost of which was charged to a work or project.

(1) On the completion of a work or project on which special tools and plant were used or when these tools and plant are no longer required for use thereon, the Divisional Officers may transfer them, if in efficient condition, to another work or project in the same division or in any other division where they may be required for immediate use after suitable valuation in consultation, if necessary, with the Superintendent, Workshop and Stores Division, crediting the values thus determined to the work from which they are transferred by debit to the new work.

(2) A list of such tools and plant whether originally purchased from the Workshop and Stores Division or from any other source should, when not required for immediate use on any other work or project in the same division or any other division, be circulated by the Executive Engineer concerned to all other Executive Engineers requesting them to report if any of the plant in the list is likely to be required for any work or project in their divisions in the near future. Such of the plant as could be used on any works or projects in the near future should be transferred to the Public Works stores, with the information regarding the works for which they have to be reserved for and the probable date when they will be required for the works.

(3) The Workshop and Stores division should not take into its stock articles of special tools and plant unless it is known that they are likely to be required for use in, where in the near future. Even in the case of ordinary plant offered by any division to the Public Workshop and Stores, such as pumps, rollers, portable engines and all other articles that are in common and regular use in the department, the Superintendent shall have the option of taking them over to the stores stock or not, according to the stock existing at the time of the offer in the stores.

NOTE :—1. It is not permissible to write back the cost of special tools and plant in anticipation of the possibility of the articles being utilised on another work or project at some distant date.

NOTE :—2. No articles can be removed from the numerical accounts, on the plea that the accounts of the work to which the cost of the articles was charged have been closed, until they are actually transferred or until owing to their having become unserviceable, their write off has been sanctioned.

**216.** Tools and plant which the Superintendent, Workshop and Stores Division, proposes to take over from a division to the stores stock under paragraph 215 shall be valued by him by taking into consideration the life, the then actual condition of the plant and the then prevailing market price for a new plant of the kind and the charges (to be estimated) that may have to be incurred on overhauling and repairs to the plant, and credit given to the extent of the value so arrived at to the work concerned by the Stores Division. In this case, the cost of the plant and all repairs to the plant and replacements should be borne by the Stores Division but the freight charges to the Stores Division Office should be borne by the work from which the plant is transferred.

If any plant is considered unserviceable, it shall be condemned and the sanction of the competent authority obtained on a survey report for its disposal either by auction as a whole at the place at which it is kept or by breaking it up for its component materials to be transferred to the stock of the Stores Division, Trivandrum, as scrap cast iron or gun metal etc., for remelting, credit of the amount of the sale or valuation of the scrap, as the case may be, being afforded to the work to which the value of the plant stands charged.

If any plant, although serviceable, is not required for immediate use on any other work in any division or is not taken over by the Stores Division, it shall be sold with the sanction of the competent authority either by public auction at the place at which it is kept or by calling for sealed tenders or by any other means considered desirable by the sanctioning authority.

## V. Verification.

**217.** The rule in paragraph 194 regarding verification of stock applies also to tools and plant, with the exception that when any articles are found deficient the note of the deficiency should be made in red ink in the account of issues, form No. 14 without making any entries in the quantity columns, so that the article may continue to be borne on the accounts of tools and plant, until the loss is adjusted by recovery or a sanctioned write off, (see also paragraph 219).

## VI. Rectification of Accounts.

**218.** Clerical errors in the numerical accounts should be dealt with in the manner prescribed in paragraph 174 for stock accounts except that no transfer entries will be necessary.

**219.** Discrepancies in quantities and losses should be dealt with as under :—

(a) When they are noticed, action should be taken as indicated in paragraph 217, losses being treated as deficiencies.

(b) When writing up the register, (form No. 15) the deficiencies should be registered in part III under 'debits' and their clearance should be watched. Articles found surplus will be treated as receipts in Part I and will therefore require no further action.

(c) If the deficiencies are made good in kind, the receipt or recovery should be shown in the accounts of receipts, form No. 13, without making any entry in the quantity columns and, when posting the account in the register, form No. 15, the articles received should not be entered in Part I, but taken (with a suitable remark) direct to part III under 'credits', in clearance of the debit outstanding therein.

(d) If the deficiencies are made good by recovery of their cost or their write off is sanctioned, the articles should be shown, as issued, in the account of issues, form No. 14, with suitable remarks, and when this entry is transcribed into the register, form No. 15, it should not only be entered in part I in the ordinary way, but also entered with a suitable remark in part III, as in case (c), thus clearing debits outstanding therein.

The authority to write off should be obtained on survey report in form No. 18.

## D. ROAD METAL.

### I. Quantity Accounts.

**220.** Supplies of road metal should be measured and paid for in the same way as supplies of other materials for works, *vide* chapter IX. But as metal is often kept in store at the road side before



being laid down, a quantity account of it should be maintained in the sub-division office in form P. W. A. No. 16 'Statement of receipts, issues and balance of road metal', copies on loose sheets being submitted monthly to the Divisional Officer within a fortnight of the submission of the monthly accounts.

(1) The authority to write off should be obtained on a survey report in form No. 18.

(2) This statement should show, mile by mile, the receipt, disposal and balances of road metal of each kind (stone, gravel, sand etc.) The balance of metal in each mile should be shown, whether there are any transactions on it during the month or not.

(3) The statement should also show the total metal received and issued on each mile of the road at the end of the account for any road or section of a road; an abstract should be worked out to show the receipts and issues according to estimates for the purpose of check with the works accounts. Reference should also be given in the abstract, to the measurement books showing the receipt of metal and to paid vouchers showing labour charges for spreading the same. The total balance as per this abstract should agree with the total balance of the statement.

NOTE:—Surfacing materials, such as coaltar, pitch, asphalt, and proprietary road surfacing stocked for maintenance estimates and for minor estimates for renewals at the roadside will be accounted for in the same way and at the same time as road metal and will also be entered in the road metal return. (see note to paragraph 160.)

**221.** Unused balances of road metal should be verified at least once a year in the manner prescribed in paragraphs 495 and 496 of the Public Works Department Code and whenever this verification is made, a report of verification of the road metal should be prepared by the Sub-divisional officer, showing the balances as per account in form No. 16 and actual verified balances, with explanations for discrepancies and recommendations as to their adjustment. A similar verification should be made whenever the officer responsible for the balance of road metal is transferred.

## II. Rectification of Accounts.

**222.** Metal found surplus, as the result of check measurement or otherwise, should at once be brought on to the quantity accounts. Deficits should not, however, be removed from the quantity accounts until recovery of their value or receipt of sanction to write off; but a red ink remark should be recorded at once and carried forward, from month to month, until the discrepancy is set right.

### III. Schedule of Rates.

**223.** A rate book or schedule of rates, showing the lowest rate at which metal can be supplied to the roadside throughout the division should be kept in the division office in P. W. A. form No. 17 with such modifications as may be considered necessary to suit local conditions. The rates should be revised, from time to time, as old quarries are exhausted or new ones opened or as other circumstances affect the rates, *vide* paragraph 218 of the Department Code.

### IV. Charges of Quarries.

**224.** When land is acquired for extracting road metal primarily intended for,

- (i) the maintenance of an existing road, or
- (ii) the construction of a new road or the raising in class of an existing road,

the following principles of accounting should be followed in adjusting the charges connected with the land and quarries ;

(a) When the charges do not exceed Rs. 500, the amount should be debited direct to 'repairs' or to 'original works' according as the quarry is intended to serve the purpose specified in clause (i) or (ii) above.

(b) When the charges exceed Rs. 500 and the road metal is required to maintain an existing road or roads for a series of years, the total initial outlay should be debited to the sub-head 'land, kilns, etc.' of the stock account, and this sub-head should be gradually relieved, by debit to the collection estimates of each year, in the manner prescribed in paragraph 374 for similar charges connected with manufacture operations.

(c) When the charges exceed Rs. 500 and the road metal is required for the purpose specified in clause (ii) above, the Divisional officer should charge direct to the original work concerned, such portion of the cost as is proper. The balance, if any, should be debited to the sub-head 'land, kilns, etc.' of the stock account, and this sub-head should eventually be cleared by debit to 'repairs' in the manner described in paragraph 374 b.

### E. MATERIALS CHARGED TO WORKS.

**225.** The account procedure relating to materials obtained specially for work is described in Chapter IX. Special tools and plant charged to works do not fall under the category of 'materials charged to works' *vide* paragraphs 202 and 203.

## CHAPTER VII.

## Transfer Entries.

**226.** Transfer entries *i. e.*, entries intended to transfer an item of receipt or charge from the account of a work in progress or of a regular head of account to the account of another work or head, are necessary—

(a) In order to correct an error of classification in the original accounts.

(1) Sometimes it is more convenient to classify items pertaining to several heads (or works) under a single head in the first instance than to classify them under each from the beginning. For example, when a joint work in which several parties are interested is undertaken, the individual transactions relating to it are taken to the accounts of a single party in the first instance, and before closing the accounts of a month, the necessary distribution over all the accounts is effected by transfer entry.

(b) In order to adjust by debit or credit to the proper head of account (or work), an item outstanding in a suspense account or under a debt head.

**NOTE:—**The value of materials issued from stock to a work is not adjusted by a transfer entry but through the stock account at the end of the month *vide* paragraph 300 of this code.

(c) In order to bring to account certain classes of transactions which do not pass through the cash or stock account *e. g.*

(i) for credit to 'purchases' on account of materials received for works from sources other than stock, (*vide* paragraphs 300 and 306);

(ii) for credit to 'P. W. Deposits' on account of balances due to contractors on closed accounts (*vide* paragraph 336;)

(iii) for credit to revenue heads on account of revenue not recovered in cash;

(iv) for original debits or credits to remittance heads based on transactions not appearing in cash or stock accounts;

(v) for credits to the heads concerned of the several percentages leviable under the rules *e. g.* those on account of storage (when not received in cash), establishment, tools and plant, workshop charges, *vide* paragraph 506 of the P. W. Department Code and Appendix II and paragraph 413 of this Code.

(d) In order to respond to a remittance transaction advised by the Accountant General, if the corresponding debit or credit to the remittance head has not actually appeared in the accounts ;

(e) In order to relieve the account of a work in progress of

(i) items which have ceased to be chargeable against the estimate for the work ; and

(ii) suspense charges which can no longer be kept within the accounts of the work (*vide* paragraph 329). Such transfer entries are necessary either when the accounts of any contractor or of the work itself are to be closed, or when any recoveries (otherwise than in cash) have become due, *e. g.* by the transfer of stores to any other work or account.

**227.** For every transfer entry there must either be an authority in Form No. 49 transfer entry order, or an order recorded on another document (*e. g.* survey report, form No. 18) and final bill of a contractor's closed account placed under public works deposit which sets forth all the necessary particulars ; see also paragraphs 471 and 489.

(1) In cases in which the transfer entry order is not required to be submitted to audit with the monthly account, *vide* paragraph 503, the necessary order, if not initiated by a Sub-Divisional Officer, may be signified by the Divisional Officer's initials against the entry in the transfer entry book (paragraph 231).

(2) There is no objection to a transfer entry covering a number of adjustments and corrections, provided that all the necessary particulars are set forth in respect of each.

(3) Transfer entries initiated by the Sub-Divisional Officer should be done in triplicate, the second and third copies being prepared by the carbon copy process. The Division Office will file one copy in support of an abbreviated entry in the adjustment register and forward the second copy to the Accountant General's Office in support of the monthly account *vide* 503 (vi).

**228.** A transfer entry order may be initiated by the Sub-Divisional Officer and should be so initiated by him in all cases falling within clauses (a), (b), (c) & (e) of paragraph 226 which come within his cognisance.

**229.** The Divisional Officer is responsible that no transfer entry is made in the accounts unless admissible under the rules, that a transfer entry is made as soon as it becomes necessary, and that

transfer entry orders in respect of transactions falling under clauses (a), (b) & (e) of paragraph 226, proposed by Sub-Divisional Officers are countersigned by himself in token of acceptance.

Transfer entries should receive the special attention of Divisional Officers so that habitual errors and misclassifications in the accounts of subordinate offices may not remain un-noticed.

**230.** All transfer entry orders should set forth such explanation of the correction or adjustment proposed to be made, as would establish clearly the correctness and necessity of the entry.

(1) In cases of corrections involving a reduction in the charges against the estimate of a work, it is essential not only that full particulars of the vouchers and accounts in which the erroneous charges originally appeared are specified, but also that the circumstances in which the charges were wrongly allocated under the estimate for the work are clearly set forth. It is not sufficient to state that the charges were erroneously classified previously.

**231.** All transfer entries ordered to be made should be registered in the transfer entry book, form No. 50 maintained in the Division Office. Entries should be grouped separately for each month in the accounts of which they are to be incorporated. Before the book is closed monthly, the Divisional Accountant should see that no adjustments which are required to be made under any rule are omitted.

**232.** No transfer should be made from one sub head to another in the accounts of a work except on the authority of a formal transfer entry order prepared in accordance with the procedure prescribed in this chapter and approved by the Divisional Officer. The order should be filed with the Works Abstract for the month in which the transfer is effected and it should not be entered in the transfer entry book.

## CHAPTER VIII.

## Revenue Receipts

## A. GENERAL

**233.** Public Works revenue is assessed and realised in accordance with the rules prescribed by the Government. The detailed rules relating to the realisation of revenue from miscellaneous properties and rents of buildings are contained in paragraphs 520 and 521 of the Public Works Department Code. The rules relating to license and other fees from navigation are contained in the Public Canals and Ferries Acts and the rules issued thereunder. The bulk of the irrigation revenue for the supply of water for cultivation purposes is collected by the Land Revenue Department and the Public Works Department has no hand in its collection or accounts. The general principles for the hiring of tools and plant including floating plant are contained in paragraphs 514 to 516 of the Public Works Department Code. When revenue is collected, it should be correctly brought to account in accordance with the classification prescribed in Appendix I.

**234.** A register of miscellaneous properties should be maintained in each sub-division in P.W.A. Form No. 80. In order that no item of revenue may be lost sight of, this register should be submitted monthly to the Division Office and also at the time of the audit inspection.

On the first page of the register there should be clear information available to show (i) that the register is signed by the Sub-Divisional Officer every month whether there are transactions during the month or not; (ii) when the register is sent to the Division Office and (iii) when it is received back in the Sub-Division Office. When there are no transactions in a month, the register need not be submitted by the Sub-Divisional Officer to the Divisional Officer. The reason for the non-submission should be recorded in the register against the month under the signature of the Sub-Divisional Officer and the fact intimated to the Divisional Officer.

**235.** The licensing and registration of vessels under the Canals and Ferries Act and the collection and accounting of fees therefrom are detailed in the subsidiary rules passed by Government in R. Dis. No. 938/24/P. W. dated 28-7-1924. The forms necessary for the accounting of this revenue are also appended to the above rules.

**236.** Distinction must be made between receipts which are finally creditable to Government as revenue of the department and transactions which represent merely such cash or other value received as has either to be eventually repaid or to be utilised to meet the cost of some service to be rendered or already rendered or to be taken in reduction of expenditure previously incurred. Receipts of the latter class are creditable to the debt, deposit, remittance or expenditure head concerned and are not subject to the rules of this chapter. See also statement A of Appendix I.

**NOTE.—1.** For appropriation of unclaimed balances lying in the deposit accounts, see paragraph 427.

**NOTE.—2.** The sale proceeds of trees felled in the compound of the Public Offices should be treated as XXVII, sale of avenue trees, if the felling is done in the course of execution of works by the P. W. D. In other cases, the sale proceeds of the usufruct of trees and of trees felled should be credited to the Department to which the cost of maintenance of the compound is charged.

**237.** (a) It is not permissible, except in the case of storage charges on stock sold on credit, to credit revenue to the head concerned until it is realised, but Divisional Officers are responsible that demands are made as revenue falls due, that steps are taken with a view to effect prompt realisation of all revenue, regular or occasional and that proper records are kept to show in respect of all items of revenue, recurring or non-recurring, the assessments made, the progress of recovery and the outstanding debts due to Government.

The object of this rule is that all classes of revenue whether accruing from property of any kind, from leases of rights and concessions (*e. g.* rights for fishing, etc., and the use of water power) or from any other source are properly watched.

(b) The recovery of all debts due to Government should receive the special attention of the Divisional Officer and no debt should be remitted or written off except under the orders of competent authority.

## B. LAND REVENUE DEPARTMENT.

**238.** When revenue from irrigation is realised in the Land Revenue Department, the procedure described below should be observed : •

(a) The collections made in the Land Revenue Department are paid direct into treasuries. They are brought to account to credit of the revenue heads concerned in the Audit Office without being passed on to the Divisional Officer for adjustment.

(b) The Accountant General should bring to the notice of the Land Revenue Commissioner and the Chief Engineer any marked short-coming of revenue realisations as compared with the budget estimates.

### C. RENTS OF BUILDINGS AND LANDS

#### *I. Demands- and Recoveries*

##### *(a) From Private persons*

**239.** When a public building, land or other property is let to a person not in the service of Government, the full assessed rent should be recovered in advance.

NOTE :—Sums received in advance for payment of rents of lands should be credited to revenue.

##### *(b) From Government servants and pensioners*

**240.** The recovery of rents from Government servants occupying rentable buildings in charge of the department may be made either in cash or by deduction from their pay bills through the treasury officer or other disbursing officer concerned, in accordance with the rules in articles 247 to 257 of the Travancore Financial and Account Code.

The system of direct recovery in cash from employees of other divisions and departments is ordinarily not suitable when the rent recoverable is dependent upon the rate of pay of the occupant.

Amounts due on account of the hire of Government furniture and on account of the value of articles of furniture and other Government properties lost or damaged by a Government servant as well as any other dues for which a Government servant may be liable to Government in respect of the residence allotted to him may also be recovered in cash or by deduction from pay bills in accordance with the rules in this paragraph.

**241.** When rent is recoverable in cash, a bill in a suitable form should be sent to the tenant on or before the last day of each month. The tenant should be required to pay in the rent before the expiry of the following month.

**242.** When recoveries of rent are to be effected through a treasury officer or other disbursing officer, a demand in P.W.A. form No. 46, statement of rents recoverable in cash or by deduction



from pay bills, should be sent, in duplicate at least 4 days before the last day of each month, to the officer concerned who will make the necessary recoveries and return one copy of the statement duly completed between the 22nd and 25th of the following month.

(1) Treasury officers and other disbursing officers have instructions to recover the amounts specified by the Divisional officer without prior reference to the tenants and to note, in the statement of rents, the particulars of emoluments and of charges therein in respect of Government servants whose rent is limited to a percentage of such emoluments.

(2) If the rent recoverable from a Government servant is limited to a certain percentage of his emolument and the emolument is changed retrospectively, the rate at which rent is recovered should also be changed retrospectively.

(3) If a Divisional Accountant becomes aware that the salary of a Government servant has been changed in respect of a period during which he occupied a Government residence at some other station or stations, he should see that the intimation of the change of emoluments is given to the Divisional Officers of the stations concerned to enable them to recover the arrears of rent when necessary.

(4) In cases of cash recovery from Government servants, the Division Office should obtain from the disbursing officers a certified statement in form No. 46.

(5) In form No. 46 will also be included any amounts due on account of the hire of Government furniture, the value of articles of furniture and other Government property lost or damaged by a Government servant as well as any other dues for which a Government servant may be liable to Government in respect of the residence allotted to him.

(6) A separate form No. 46 should be prepared in respect of each tenant who is a gazetted officer who draws his pay direct from the treasury. For non-gazetted officers, there should be a single consolidated form for each class of establishment whose pay is drawn in a separate bill. Particulars in regard to this should be obtained by the division office from the drawing officers.

(7) In the case of gazetted officers, the P.W.A. Form No. 46 will be filled up from the information contained in the pay slip received from the audit office under paragraph 122 of the Audit Code. When a tenant goes into occupation of a residence, the Divisional officer will intimate the fact to the Accountant General and call for pay

slip. In the case of non-gazetted officers, the P.W.A. Form No. 46 will be prepared on the basis of information to be obtained from drawing officers.

**243.** In preparing the statement of demands, the Executive Engineer should rely upon copies of pay slips of gazetted officers received from the Accountant General and intimations, from heads of offices, of the changes in the emoluments of non-gazetted officers occupying Government residences. The completed copy of P.W.A. Form No. 46 returned by the Treasury Officer should also be made use of in preparing the statement of rents for the next month, and the assessment should be revised whenever any change of emoluments has been noted by the Treasury Officer. The Executive Engineer should provide also for the recovery of additional rent due either because the full amount has not been collected in the previous month, or because arrears of emoluments have been paid to a Government servant.

NOTE :—After necessary action has been taken on the statement of rents in P. W. A. form No. 46 returned by the Treasury Officer, the Executive Engineer will forward it to the Audit Office with the monthly return of buildings.

**244.** Amounts recovered by Treasury Officers by deduction from pay bills cashed at Treasuries will not be passed on to the Divisional Officer for adjustment as the Accountant General will credit the revenue head direct in his own books. The Divisional Officer should, however, credit the accounts of the tenants in the register for rents of buildings and lands in Account form No. 21, paragraph 255, with the recoveries as certified by the treasury, disbursing, or drawing officer concerned.

(1) The Accountant General will forward to the Division office the statement in P.W.A. Form No 46 received during a month in the audit office with the accounts of treasuries for verification with the set of statements received in the Division Office direct from the treasury. The Divisional Accountant should see that no statement pertaining to that treasury has been omitted to be sent by the Audit Office. He should compare these with the corresponding entries in the register of rents of buildings and lands (Account form No. 21) and take steps to raise the assessment of rents of Government servants whose rates of emoluments have been altered by the audit office.

(2) When a Government servant is transferred or proceeds on leave or retires, the Executive Engineer should give the Treasury Officer as early a notice as possible of the date up to which rent is payable.

All Heads of departments and offices should furnish not later than 15th of every month, to the Executive Engineer, a statement in suitable form showing the particulars regarding the names, designations, emoluments, etc., of the officers occupying quarters provided by Government irrespective of the fact that rent is payable for them or not, and the changes in the occupancy of such buildings. In the case of vacant buildings, Heads of offices should furnish information as to what period each building is expected to be vacant and whether the building will be required during that period by any officer of the same department. The Executive Engineer should then consider the desirability of finding tenants for the vacant buildings.

NOTE.—For the purpose of the above rule, it will be sufficient if heads of Offices intimate monthly in the form of additions to and changes in the completed statement once furnished. When there are no changes, the fact should be intimated to the Executive Engineer concerned.

**245.** The duties of Treasury Officers in matter of recovery of rents are laid down below:—

(i) The Treasury Officer will note in column 6 of both copies of statement of rent recording at the bottom of the statement a certificate that he has done so.

(a) the emoluments actually drawn by the tenant where they differ from those entered by the Executive Engineer in column 3.

(b) any sum drawn by the tenant as arrears of emoluments with details of the rate at and period for which it has been drawn.

He will also note in column 6 the number of the bill from which deduction of each item of the rent was made, and if, in any instance, the rent in column 4 has not been recovered in full, a brief explanation of the reasons for non-recovery.

(ii) He will return one copy of the statement thus completed to the Executive Engineer so as to reach the latter officer by the 25th of every month.

(iii) - He will obtain from sub treasuries details of recoveries of rent effected there in time for inclusion in this copy of the statement of rents. Any subsequent recoveries effected by the Treasury Officer, or a Sub-Treasury officer, too late for inclusion in the statement, should be included in the statement of the following month.

(iv) He will compare and agree the total of the recoveries shown in the other copy of the statement of rents (which should include recoveries made too late for inclusion in the first copy) with the total credits in the treasury account and will submit this copy to the audit office with the treasury account for the month in which the recoveries were made.

(v) He will continue to recover rent at a rate once intimated by the Executive Engineer until advice to the contrary is received from him, whether the monthly demand statement P. W. A. form No. 46 has been received or not; and when a Government servant is transferred, proceeds on leave, or retires, he will, unless otherwise instructed by the Executive Engineer.—

(a) if the Government servant is paid up to the date of making over charge, recover from the pay bill the rent due up to that date;

(b) if the Government servant is not paid up to the date of making over charge, recover from any pay bill paid, the rent due for the period covered by the pay bill, and note on the reverse of the last pay certificate the balance of rent due for recovery on account of the remaining period up to the date of making over charge.

(vi) He will not conduct any correspondence with tenants on the subject of their rents but will refer them to the Executive Engineer.

**246.** Recoveries made by other disbursing officers should be credited to the accounts of tenants in the register of rents of buildings and lands, Account form No. 21 and adjusted in the division accounts by debit to the remittance head concerned, on the authority of the certified statements received back from them without waiting for the intimation of the corresponding credit from the audit Office.

**247.** A tenant who is in receipt of a pension from Government should be treated as a private individual for the purpose of these rules. But if he desires to make payment by deductions from his pension, recoveries from him may be made through the Treasury Officer or other disbursing officer concerned, on the pensioner's furnishing the Divisional Officer with a written request authorising such deduction. This authority should be transmitted to the Treasury of disbursing officer with the first demand.

**248.** In the case of vacation of quarters by a Government servant before the last day of a month, owing to his departure on transfer, leave or retirement, the demand for the rent for the broken period should be made at once so that the amount due may be recovered before his departure.

**249.** Pending orders on a representation against the Divisional Officer's assessment, the amount assessed should be paid by tenants on demand. Should the representation prove successful, the excess charged should be adjusted as soon as orders are issued, by a deduction in the assessment of a subsequent month, or if this is not practicable or convenient by an actual repayment.

#### D. REFUNDS AND REMISSIONS.

**250.** Remissions of irrigation revenue allowed before collection should be treated as reductions of demands and cash re-payments of such revenue after collection, as "refunds" of revenue. All other refunds of revenue and repayments of receipts and recoveries on capital account (Appendix I Statement A) should be taken in reduction of the receipts under the heads concerned.

**251.** Before a remission or refund of any kind, otherwise in order, is allowed, the original demand or realisation, as the case may be, should be traced and a reference to the remission or payment should be so recorded against the original entry in the cash book and other accounts as to make the entertainment of a double or erroneous claim impossible. Any acknowledgment previously granted should be taken back if possible and destroyed, a note of the repayment being, in any case, recorded on the counterfoil of the receipt.

#### E. ACCOUNTS PROCEDURE.

##### I. Register of Revenue.

**252.** All revenue receipts of the division should be classified and abstracted in a register of revenue, P. W. A. form No. 45 maintained in the division office. The receipts relating to each project for which a separate revenue account is kept, should be registered separately and all the other receipts pertaining to a major head should be booked collectively. In this register a column is opened for each minor head of revenue (and detailed heads subordinate to it) other than deduct—refund, for which a single deduction is made for the total revenue of the month, the details of the charges making up the figure to be deducted being recorded in a separate register of refunds of revenues which should also be in form No. 45.

(1) For accounts procedure in respect of refunds of rents realised, see rule 1 to paragraph 257.

**253.** All receipts falling under the minor head "receipts and recoveries on capital account," should also be abstracted in form No. 45, a separate account being kept for each project the expenditure of which is booked separately.

**254.** In respect of rent receipts of the buildings and special services for which a subsidiary account is kept in Account Form No. 21, it is not necessary to make entries in detail in any of the registers in Form No. 45. The monthly totals only (excluding the amounts realised by Treasury Officers) for each class, of the rents for which separate detailed heads have been opened under the minor head "rents" should be transferred from Account Form No. 21 to Form No. 45.

## II. Register of Rents.

**255.** A register in Account Form No. 21 (register of rents of buildings and lands) should be maintained in the Division Office to show the monthly assessments, realisations and balances of rents, of all residential buildings (including office buildings used as residences) and of such other buildings, lands, etc., as may be available for being let. No building or site should be excluded from this register on the plea that it is intended to be occupied rent-free or is not likely to be rented, but all such buildings may be grouped separately.

(1) Private buildings which have been hired for use as residences or are used as such, wholly or in part, should be included in this register.

(2) Rent free quarters for menials need not be entered in this register except when allotted to persons from whom rent is recoverable, nor need rest houses and other traveller's bungalows be entered.

**256.** The entries relating to the assessment of rent should be made month by month and for this purpose arrangements should be made to obtain timely intimation (with full particulars) of all changes of tenancy from the subordinates in charge of the properties.

(1) If any property is occupied free of rent, or if the rate for any month's assessment is neither the standard rate nor the ten per cent of the occupant's salary, a suitable remark (quoting authority) should be made against the entry relating to it. If a Government servant is not entitled to but is actually allowed the benefit of the 10 per cent concession, a reference to the specific orders of Government allowing it should be recorded in the remarks column of the register of rent.

**257.** The total realisations of each month should be abstracted at the foot of the register so as to show separately (i) cash realised in divisions, (ii) recoveries by other disbursing officers adjusted in the division accounts (paragraph 246) and (iii) recoveries at treasuries adjustable in the audit office (paragraph 244) for both rents of buildings and rents of lands etc. If any buildings are provided with special services such as furniture for which rent is charged separately, the account of rent charged for each building in respect of these services should be kept separate from that of the rent of the building itself and in the abstract also the realisations on account of each of these services should be shown separately.

(1) Refunds of rents realised should be treated as payments made and should therefore be shown separately as minus realisation in the register of rents of buildings and lands and thus distinguished from gross realisations of rent.

## CHAPTER IX.

## Works Accounts.

## A. GENERAL PRINCIPLES.

**258.** (a) Expenditure on the construction or maintenance of a work may be broadly divided into two classes *viz.*, (i) cash and (ii) stock charges. As explained in chapters V and VI these charges are recorded in the cash and stock accounts respectively.

(b) In addition to the charges falling under these main classes, there are other transactions affecting the cost of a work. For example, there may be charges incurred in other divisions or departments, materials received from or services rendered by them, or there may be cash receipts such as are taken in reduction of expenditure in accordance with the rules.

(c) All these transactions pass into the general accounts of the division in the manner described in chapter XVII and are thence consolidated into the accounts of the State. As, however, the units of classification adopted in the general accounts in respect of expenditure are certain heads of account and not individual estimates for works or contract accounts, it is necessary to maintain separate accounts in the sub-division and division offices for recording (i) the cost of individual works and (ii) the transactions of individual contractors. These are known as works accounts.

**259.** Although the primary object of the accounts of works is to exhibit simply but accurately, the actual cost of work done, the rules frequently require the upkeep of separate accounts for the several component parts of a work which are not required to attain this object. There are two main reasons for this. In the first place, it is often desirable to have details which will satisfy the need for statistical information and for analysis of the comparative cost of various classes of work, of types of buildings etc. The more important reason, however, is that in the case of the larger works, especially if the period of construction ranges over a long period, it would not be possible for the Divisional Officers to exercise efficient financial control over the recorded transactions of the cost of a work if only the total cost were recorded in the accounts of the work. The Divisional Officers' personal knowledge of the executive arrangements for the execution of a work and of the actual progress of work, must be supplemented by a comparison monthly of the cost as recorded in the accounts with the value received in the shape of work done. This monthly comparison is obviously impossible unless the total cost is split up into convenient parts in such a way that as far as possible the cost of each distinct part may be compared with the work done thereon.

**260.** In recording the cost of an individual work in the accounts, no attempt is made to include therein any charge on account of general services, like establishment and tools and plant, the entire cost whereof is adjusted in the general accounts under the prescribed heads of classification. But if any service connected with the working estimate for a work is rendered by another division or department and the claim made by it includes an authorised charge on account of such general services, under paragraph 5 of Appendix II such charge may be accepted and adjusted in the accounts of the work as part of the cost of the work in the same way as if the service had been rendered by a contractor.

(1) When the cost of special tools and plant is included in the cost of a work under paragraph 202, the rules in chapter VI regarding numerical lists or returns will apply *mutatis mutandis* and adjustments on account of the cost of tools and plant transferred to other works, divisions or departments will be governed by the rules in paragraphs 215 & 216.

(2) Lump sum charges of establishment and tools and plant recoverable from other States and the Resident, Madras States for works executed for them under a standing arrangement, should not be included in the accounts of the works but dealt with under the rules in Appendix II.

(3) The cost of special establishment employed on the acquisition of land when chargeable to the accounts of the work concerned under Article 517 of the Travancore Financial and Account Code should be treated as part of the works expenditure.

**261.** Primarily the Divisional Officer is the responsible disbursing officer of the division. Sub-Divisional Officers may however be permitted to pay bills without pre-audit in the division office up to the maximum amount of his contractual powers, *viz.*, Rs. 200 in the case of piece works and up to Rs. 1,000 in the case of intermediate bills relating to other kinds of contract. A Divisional Officer may, if necessary, require bills even below the limits laid down above to be sent for pre-audit.

**NOTE. 1.** This limit of Rs. 1,000 in respect of intermediate payments refers to the work actually executed or supplies received and is also the maximum limit up to which payments may be made on any work in a month. This limit is not affected by bills paid after pre-audit in the division office.

**NOTE. 2.** Sub-Divisional Officers are authorised to refund deposits credited in the sub division cash book after necessary verification except in cases where the party fails to produce the original receipts, or the item to be refunded has already been credited to Government under paragraph 427 of this Code, or confiscated under the provisions of an agreement or bond.



**262.** Initial accounts and vouchers connected with charges relating to works must invariably specify (i) the full name of the work as given in the estimate, (ii) the name of the component part (or a sub-head) of it, if separate accounts are kept up for the several component parts and (iii) the charges (if any) which are of the nature of recoverable payments and the names of the contractors or others from whom recoverable.

In the case of recoverable charges, it should be seen particularly that the contractors or others on whose behalf the charges are incurred do not get the benefit of any concession to which they would not be entitled if they had themselves incurred the charges.

## B. CASH PAYMENTS.

### I. Introductory.

**263.** Cash charges on works consist of payments (i) to labourers and members of work charged establishment of their wages and (ii) to contractors and others for work done or other services rendered. The cost of materials procured specially for works is charged to the accounts of works by transfer credit to the 'purchases' account, but payments to suppliers are governed by the same rules as payments to contractors for work done. The general rules relating to cash payments and vouchers in paragraphs 128 to 138 apply to all these classes of payments. Only special rules are therefore set forth in this chapter.

**264.** The rules in article 88 of the Financial and Account Code enjoining that inevitable payments should be liquidated and recorded at the earliest possible date should be carefully observed, (see also paragraph 283 of the Public Works Department Code.) In cases where payments may not be considered as inevitable, all the formalities required in that connection before payment can be made, have to be gone through in detail. The maximum intervals permissible at the several stages between the measurement of a work and payment of bill for it are as noted below:—

Preparation of bill in the Section Office after measurement of work.

Within 2 weeks from date of measurement.

Scrutiny of bill in the Sub-Division-Office and passing it for payment by Sub-Divisional Officer where Sub-Divisional Officer is competent to make payment.

Within 2 weeks from date of receipt of bill in Sub-Division Office.

Scrutiny of bill in the Division Office and passing the same for payment in Division Office. Within one month from the date of receipt of bill in Division Office.

*N. B.* The above limits will apply only to works for which all the formalities and preliminary steps required to start the same (such as sanction to estimates and funds, and execution of agreement have been gone through in detail.)

## II. Payments to Labourers.

### (a) *Departmental Labour.*

**265.** With the following exceptions, all persons engaged departmentally for the execution of works are considered as day labourers and their wages should be drawn on muster rolls, P. W. A. Form No. 20 and charged to the estimates of the works on which they are employed.

(i) Permanent and temporary employees of the division whose pay is charged to the head 'establishment'.

(ii) Members of the work charged establishment as detailed in paras 122 to 132 of the Public Works Department Code.

Discrepancies between labour reports in Form No. 81 and muster rolls should be investigated as soon as the latter are received.

**266.** Muster rolls should be prepared and dealt with in accordance with the following rules in P. W. A. Form No. 20.

(a) One or more muster rolls should be kept for each work, but muster rolls should never be prepared in duplicate. It is permissible, however, to keep one muster roll for labourers employed upon several small works, in cases in which no harm can result if the total unpaid wages are regarded as relating only to the largest work in the group.

*NOTE*—Entries in muster rolls should be made in ink or indelible pencil.

(b) Labourers may be paid more than once a month and the period covered by each payment may be determined locally; but separate rolls must be prepared for each period of payment.

(c) The daily attendance and absence of labourers and the fines inflicted on them should be recorded daily in part I of the muster roll in such a way as (i) to facilitate the correct calculation

of the net wages of each person for the period of payment, (ii) to render it difficult to be tampered with or for unauthorised additions or alterations to be made in the entries once recorded and (iii) to facilitate the correct classification of the cost of labour by works and sub-heads of works when necessary.

**NOTE**—Sub-Divisional Officers should as frequently as possible test check the attendance of labourers, especially in cases where it is anticipated that the aggregate payment on nominal muster rolls in connection with a work will exceed Rs. 200.

(d) After a muster roll has been passed by the Sub-Divisional Officer, payment thereon should be made as expeditiously as possible. Each payment should be made or witnessed by the official of the highest standing available who should certify to the payments individually or by groups, at the same time specifying, both in words and in figures at the foot of the muster roll, the total amount paid on each date. If any items remain unpaid, the details thereof should be recorded in part II, the register of arrears, before the memorandum at the foot of the muster roll is completed, by the person who made the payment.

(e) Unpaid items should subsequently be carried forward from muster roll to muster roll until they are paid, the payments being recorded and certified to in part II in the same way as payment of current items.

(f) Wages remaining unpaid for three months should be reported to the Divisional Officer who will decide in each case whether the liability as an amount available for payment should continue to be borne in the accounts of the work concerned, as exhibited in the sub-division record prescribed in clause (e).

For action to be taken on the completion of the work, see paragraph 335.

(g) In part III of the muster roll form should be recorded the progress of work done by the labour shown thereon in all cases when work is susceptible of measurement. If the work is not susceptible of measurement, a remark to that effect should be recorded.

**NOTE**.—It is not necessary to reproduce the details of measurement in part III, nor need part III be written up if progress is reported once a month or often in any other suitable form and such separate reports are considered sufficient.

(h) In exceptional and urgent cases, such as urgent silt clearance of canals or closing breaches, where labourers are employed casually for short periods, payment may be made on a casual labour roll, Form No. 21 in which the names of the labourers need not be given, but such payments may not be made except by an

officer not below the rank of a supervisor, nor need muster rolls in Form No. 20 be used in the case of work done on requisition, Form No. 30, where the entries of daily labour are few ; in such cases the particulars can be entered on the form of requisition.

(i) The tabular information under part IV of the muster roll form is intended to locate and minimise delays on the part of the various subordinates who deal with the roll from issue to the final return.

### (b) LABOUR ENGAGED THROUGH A CONTRACTOR.

**267.** The payment of daily labour through a contractor, instead of by muster roll in the usual way, is objectionable on principle. In a case of great emergency, it may sometimes be found impossible to employ labour otherwise than through a contractor. Should it be possible, in such a case, to determine the quantities of work done after its completion or at intervals during its progress, it is expedient to pay the contractor, at suitable rates, on the basis of work actually executed. But if, as in the case of urgent repair of canal breaches, this method of payment is not practicable, it is permissible to pay the contractor on the basis of the number of labourers employed, day by day, his own profit or commission being either included in the rates allowed, or paid separately in a lump sum or at a percentage rate. When this course is adopted, a report of the number of labourers of each class employed day by day should be made by the subordinate in charge of the work daily to the Sub-Divisional Officer, in P. W. A. Form No. 81, to enable the latter to keep a check on the expenditure and to deal with the contractor's claim when received. To avoid disputes with the contractors, they should be encouraged to sign the daily reports in token of their acceptance as correct.

The use of the muster roll or the measurement book (paragraph) 268 is not permissible in such cases.

## III. Payments to Suppliers and Contractors.

### A. RECORD OF MEASUREMENTS.

#### (i) *Measurement books.*

**268.** Payments for all work done otherwise than by daily labour and for all supplies are made on the basis of measurements

recorded in measurement books, P. W. A. Form No. 22, in accordance with the rules in paragraph 462 of the Public Works Department Code. The measurement books should, therefore, be considered as very important account records. All the books belonging to a division should be numbered serially and a register of them should be maintained in P. W. A. Form No. 88 in the division office showing the serial number of each book, the names of the sub-divisions to which issued, the date of issue and the date of its return, so that its eventual return to the division office may be watched.

(1) A similar register should be maintained in the sub-division office showing the names of the sub-divisional officer and section officers to whom measurement books are issued. Books no longer in use should be withdrawn promptly even though not completely written up.

(2) Such of the completed measurement books as contain measurements of the works executed by contractors having running accounts, should be sent to the division office for final record after final bills have been paid to the contractors. Until then, such books if not required for reference by sub-divisional officers or section officers should be sent to the division office for temporary record to be taken back when payments have to be made.

But the completed books which contain wholly measurements of works or supplies, for which payments are made on hand receipts or first and final bills, or measurements of items of works carried out departmentally, for which payments are made on nominal muster rolls, or both, should be sent to the division office for final record immediately after all bills, the measurements of which are recorded therein, have been paid.

(ii) *Detailed measurements.*

**269.** In recording detailed measurements, the following general instructions should be carefully observed :

(a) The top most lines under columns 1 to 4 on each page of the measurement book should invariably be filled in the field. None of the lines should be left blank. Any line not required should be carefully scored through in order to prevent additional entries being made later on. Detailed measurements should be recorded only by Executive, Assistant or Sub Engineers or by

Executive subordinates in charge of works to whom measurement books have been supplied for the purpose.

NOTE 1. Measurements made by an executive subordinate in charge of a work should be checked by the Sub-Divisional Officer by actual measurements by comparison with plans and estimates or by inspection. When measurements are taken by the Sub-Divisional Officer himself, they should, as far as possible, be checked by the Executive Engineer.

2. Engineer and Engineer subordinate students undergoing their practical course may be allowed to record measurements provided they are systematically checked by one of the officers mentioned above.
3. Division store-keepers or stores clerks or the divisional head clerk in the absence of both, may, in cases where there are no executive subordinates on the spot, and in special cases where the Executive Engineer considers that the exigencies of the service require it, record their measurements of stores received in measurement books.
4. The foreman in the P. W. Workshops is permitted to record detailed measurements in measurement books.

(b) All measurements should be neatly taken down in a measurement book, form No. 22 issued for the purpose, and nowhere else.

(c) Each set of measurements should commence with entries stating :

- (i) in the case of bills for works done,
  - (a) full name of work as given in estimate,
  - (b) situation of work,
  - (c) name of contractor,
  - (d) number and date of his agreement,
  - (e) date of measurement.

(ii) In the case of bills for supply of materials (a) name of supplier, (b) number and date of his agreement or order (c) purpose of supply in one of the following forms applicable to the case :—

(i) 'stock' (for all supplies for stock purposes) (ii) 'purchase' for direct issue to (here enter full name of work as given in estimate) ..... (iii) 'purchases' for (here enter full name of work as given in estimate) for issue to contractor..... on.....

and (d) date of written order to commence supplies (e) date of actual completion of supplies and (f) date of measurement ; and should end with the dated signature and designation of the person making the measurements. A suitable abstract should then be prepared which should collect the total quantities of each distinct item of work relating to each sanctioned sub-head.

(d) As all payments for works or supplies are based on the quantities recorded in the measurement book, it is incumbent upon

the person taking measurements to record the quantities clearly and accurately. He will be responsible for the correctness of the entries in the column 'contents or area' for the measurements recorded by him. If the measurements are taken in connection with a running contract account on which work has been previously measured, he is further responsible (1) that reference to the last set of measurements is recorded and (2) that, if the entire job or contract has been completed, the date of completion is duly noted. If the measurements taken are the first set of measurements on a running account, or the first and final measurements, this fact should be suitably noted against the entries in the measurement book, and in the latter case, the actual date of completion noted. The signature of the contractor or his agent should be obtained in measurement books after each set of measurements with the addition 'I accept the measurements'. In the case of illiterate men their marks should be attested by an independent witness.

(e). Entries should be recorded continuously in the measurement books. No blank pages may be left and no page torn out. Any page left blank inadvertently must be cancelled by diagonal lines, the cancellation being attested. See also paragraph 462 of the Public Works Department Code.

(f). No entry may be erased. If a mistake is made, it should be corrected by the responsible officer. When any measurements are cancelled, the cancellation must be supported by the dated initials of the officer ordering the cancellation or by a reference to his orders initialled by the officer who made the measurements. In either case the reason for cancellation should be recorded.

(g). Entries should, if possible, be made in ink. When this is not possible, pencil entries should not be inked over. Entries in the 'contents or area' column should be made in ink in the first instance.

(h). Each measurement book should be provided with an index which should be kept up-to-date.

### (iii) *Standard Measurements.*

**270.** It is usual in the Public Works Department to maintain standard measurement books of buildings in order to facilitate the preparation of estimates for periodical repairs. Where such standard books are maintained, it is also permissible to utilise them for the purpose of preparing contractors' bills for such repairs, so that it may not be necessary to take detailed measurements on each occasion.

**271.** The following rules for the efficient maintenance of these standard measurement books and the preparation of bills based thereon should be followed :

(1) The entries of measurements and abstracts thereof should be recorded legibly in ink and certified by an officer of at least the standing of a Sub-Divisional Officer in his own handwriting to the effect that they are correct for the purposes of preparing both the periodical repair estimates and the contractor's bills. Any corrections necessary should be attested by a Sub-Divisional Officer or an Executive Engineer.

(2) All the standard measurement books maintained in a division should be numbered in alphabetical series so as to be readily distinguished from ordinary measurement books, and a register of them maintained in the division office in P. W. A. form No. 88. A similar register should be maintained in each sub-division showing the books belonging to it and the registers kept under lock and key in the custody of the divisional or the Sub-Divisional Officer concerned. The original standard measurement books should be kept in the personal custody of the Divisional Accountant in the division office.

(3) Certified copies of measurement books relating to works in charge of sub-divisional offices should be sent to them to be kept in their personal custody and noted on separate pages of the sub-division register of measurement books.

(4) For the use of section officers, standard measurements of each work copied in loose sheets and signed by the Executive Engineer should be sent to the Sub-Divisional Officers who will issue them to the section officers concerned.

**NOTE.** This need not be done when the sub-division office and section office are at the same station.

(5) When corrections have to be made owing to additions or alterations in buildings, the sub-divisional officers concerned should make the corrections in their copies of the measurement books. At the same time, they should be intimated to the Executive Engineer who will have the books in their office corrected under their initials. The copies with the section officers, in which corrections have to be made, should be called for by the Sub-Divisional Officers, corrected under their initials and returned.

(6) On the last day of Chingom each year, Divisional Officers should send certificates to the Chief Engineer that all the standard measurement books in their divisions have been inspected by them, that the entries therein have not been tampered with and



that all corrections due to additions or alterations in the buildings have been made in the books and that the latter are reliable and up to date records.

(7) When a payment has to be based on standard measurements, the gazetted officer or subordinate preparing the bill for payment should certify in the ordinary measurement book and the bill that the whole of the work (or work since previous running bill, as the case may be) as per standard measurements in a book, the number of which should be quoted, has been done and that it has not previously been billed for in any shape.

(8) Separate measurement books should be set apart for noting the details of such bills so as to facilitate the review of payments based on standard measurements.

(9) All bills so paid should be specially checked in the division office with reference to standard measurements on record in that office.

(iv) *Review of measurements.*

**272.** Sub-Divisional Officers should be required to submit the measurement books in use to the division office from time to time, so that at least once a year the entries recorded in each book may be subjected to a percentage check by the Divisional Accountant under the supervision of the Divisional Officer. The following are the detailed rules on this subject :—

(a) The review conducted under these rules will be in addition to that conducted by the Divisional Accountant on all final bills on running accounts and first and final bills which are received in the division office for pre-audit, see paragraph 261.

(b) A register should be maintained in the prescribed form in the sub-division and division office for noting the progress of the receipt, review and return of measurement books. Twenty-five per cent at least of the entries in the measurement books should be reviewed each year. The arithmetical accuracy of the calculation in 50 per cent of the entries selected for review should also be checked by Divisional Accountant. He need not, however, personally check the arithmetical accuracy of calculations when bills come up for pre-audit (*vide* paragraph 474.)

(c) The percentage check referred to above of the entries made in every measurement book in use in the division in a month should be made within the succeeding four months. For this purpose, each Section Officer and Sub-Divisional Officer should make a note of the numbers and pages of the measurement books in which fresh entries are made by them every month and report these particulars direct to the Executive Engineer within the

first week of the succeeding month. From these monthly reports of section officers and sub-divisional officers, the books that should be reviewed should be regularly entered in the register.

(d) There should be an even flow of books sent for review so that the work may not be rushed in a few months of the year.

(e) The books for monthly review should be received in and returned from the division office on dates to be fixed by the Executive Engineer of each division.

(f) The review should be conducted generally with reference to the rules in this section and paragraph 462 of the Public Works Department Code. It should also be seen that measurement books do not contain any measurements relating to labour engaged through contractors (vide paragraph 267).

(g) The payments based on the entries reviewed should be traced into the various accounts and verified. Similarly, supplies or issues of materials should be traced into the materials at site accounts, ledger, etc., and verified.

(h) Every page reviewed should be initialled and dated by the Divisional Accountant with the remark 'reviewed' and a corresponding entry made in the prescribed progress register. The register should also be submitted to the Executive Engineer monthly and his initials taken.

(v) *Check measurement of Works.*

**273.** (1) (a) Sub Divisional Officers should necessarily check measure before payment and in proper time in the following cases :—

- (i) all final bills on running accounts.
- (ii) all first and final bills over Rs. 200.
- (iii) works (included in all kinds of bills over Rs. 25) which will not be susceptible of check measurement after a certain stage, for example— works in channel, river or tank beds, foundations which will be covered up etc.

(b) As regards other bills not pertaining to works of the kind mentioned in item (iii) in the above sub clause viz. intermediate bills on running accounts and first and final bills over Rs. 25 and up to Rs. 200, Sub-Divisional Officers should check measure a large proportion of them. If, in such cases, it is not possible for the Sub-Divisional Officer to check-measure before payment owing to pressure of work etc., then the reasons for not having done the check-measurement before payment should be

recorded by him in the remarks column of the measurement books concerned and the check-measurement should be done by him at the earliest opportunity after payment has been made.

NOTE.—Clearance of jungle or vegetation which costs more than Rs. 100 should be inspected by the Sub Divisional Officer after clearance and before payment.

(2) In addition to check measurement by the Sub-Divisional Officers, it is an important duty of Executive Engineers that they should during their inspections frequently check-measure works which are in progress and that they should maintain a register of such check-measurements. The number of check-measurements by Executive Engineers should be at least 50 per annum (vide paragraph 464, Note 1 of the Public Works Department Code.)

(3) The fact of check measurement by the Sub-Divisional Officer or the Executive Engineer should invariably be noted in the measurement book at the time of check-measurement and the items check-measured should be indicated by the initials of the checking officer which should be placed on the left side of the column 'particulars' in line with item check-measured.

(4) The object of check-measurement is to detect errors in measurement and to prevent fraudulent entries. Check-measurement should therefore be conducted with discretion and method, those items being selected which appear obviously incorrect or which would be most easily susceptible of fraud or which would most seriously affect the total amount of the bill, if inaccurate.

(5) The entry 'measured in my presence' by a Sub-Divisional Officer cannot be accepted as check-measurement. When measurements are taken jointly by officers or subordinates, the measurements should always be recorded and signed by the senior.

(6) In the case of works such as breach-closing executed by the ryots of a place, estimates may be prepared and sanctioned after taking measurement of the work done and after verifying the same with the claims of the ryots for each item of work. There is, therefore, no necessity to measure or check-measure the work further.

(7) The Chief Engineer should make it a point to see that these rules are duly observed.

## B. BILLS AND VOUCHERS.

### I. *Forms of Bills and Vouchers.*

**274.** The authorised forms of bills and vouchers are the following :

- (a) First and final bill, Form No. 23
- (b) Running account bill—A, Form No. 24
- (c) do. —B, Form No. 25

(d) Lump sum contract running account  
bill Form No. 26

(e) Lump sum contract Final  
bill Form No. 27

(f) Hand Receipt Form No. 28

The use of these forms is explained in the following paragraphs and a few explanatory foot notes are printed on the forms.

**275.** First and final bill form No. 23. This form should be used for making payments both to petty contractors or to piece workers and to suppliers when a single payment is made for a job or contract, *i. e.*, on its completion or on termination of the contract.

Running account bill, A, form No. 24. This form is intended for contractors for work only. It should be used in all cases in which secured advances are to be made or are already outstanding in respect of the same work against the contractor. When this form is used, it should also be utilised for making on account payments, if any, in respect of the work.

Running account bill, B Form No. 25. This form is used both for contractors for work and for suppliers. It is intended to be used for contractors for work when only on account payments are made. It is not to be used if a secured advance is to be made or if such an advance in respect of the work is outstanding against the contractor.

Form No. 26. is intended for intermediate payments on lump sum contracts which may be made to the contractor in accordance with his contract. Only details of additions and alterations should be given in the bill. Otherwise, the certificate prescribed in rule 2 of the Form will suffice.

Form No. 27 is intended for final payments on lump sum contracts to a contractor. The details of additions and alterations alone should be given in the bill. Otherwise, the certificates prescribed in rule 2 of the form will suffice. As additional precaution, the contractor should be required to add to his acknowledgment a statement in his own handwriting that he has received payment in full settlement of all demands.

Hand receipt form No. 28. This is a simple form of voucher intended to be used for all miscellaneous payments and advances for which none of the special forms Nos. 23 to 27 are suitable.

NOTE. 1. Final payments must invariably be made in forms printed on yellow paper which should not be used for intermediate payments.

the bill is on a running account, it should be compared with the previous bill. The memorandum of payments should then be made on account of the work or supply or on other accounts, being shown therein. If the Sub-Divisional Officer is empowered to pay the bill, he should then record a formal pay order specifying both in words and figures, only the net amount payable, though the payee should be required to acknowledge in his acquittance the gross amount payable inclusive of the recoveries made from the bill.

(i) If the contract is for the completed items of work and under the provisions of paragraph 302, the contractor is required to obtain materials of any description from Government, it should be seen that this condition is complied with and that the necessary recoveries of the cost of the materials supplied to him, are made in accordance with paragraph 307. In such a case, it is not permissible for the contractor to obtain the materials otherwise, unless, in a case of emergency, the supply has been entrusted by the Divisional Officer, for recorded reasons, to the contractor himself at suitable rates.

(ii) Before signing a first and final bill, or the first bill on a running account, the Sub-Divisional Officer should see that the relevant measurement entries were marked as pertaining to such bills, by the person taking the measurements (vide paragraph 269 (d) )

(iii) Sub-Divisional Officers should observe carefully the rules in paragraph 464, Note 1, of the P. W. Department Code, regarding the check-measurement of works in the case of first and final bills and running account bills in excess of Rs. 200.

(iv) Work done in Karkatakam shall be measured and paid for in the same way as work done in any other month, i. e., it should ordinarily be not paid for till Chingom. Work completed in the early part of Karkatakam may, however, be measured and paid for before the end of the month, if that would be the normal course in other months.

**280.** (a) If the Sub-Divisional Officer is not empowered to make the payment, the bill should be submitted (with the measurement book) to the division office when the payment will be authorised by the Divisional Officer after the necessary scrutiny. See also paragraph 261.

(b) In the case of materials received from firms in India by Sub Divisional Officer, on orders placed by the Executive Engineer, the following procedure should be observed :

A register in form No. 7 should be maintained in the Executive Engineer's Office to watch the disposal, from start to finish,

of all indents for stores placed by him on firms in India. A sufficient number of pages of this register should be allotted for the orders placed on account of each sub-division, all such orders being noted as they are issued in column 1 to 3 of the register.

The firms should be required to send in their bills along with the consignments direct to the officer supplied. The latter should make the necessary entries in a measurement book as soon as the stores are received and should then pass on the measurement book and the bill to the Executive Engineer for pre-audit giving a reference to the measurement book in the bill and vice versa. The Executive Engineer should check the bill against the original indent and the agreed quotations, if any, and also with the entries in the measurement book, have the necessary entries made in the register prescribed for the purpose, pass the bill scoring out the entries in the measurement book and return the bill with the measurement book to the Sub-Divisional Officer. The Sub-Divisional Officer should then pay the bill and note the fact in the measurement book.

**281.** From the measurement book all quantities should be clearly traceable into the documents on which payments are made. When a bill is prepared for the work or supplies measured, a remark to the effect 'bill submitted to the Sub Divisional Officer/Executive Engineer on... ..' should be endorsed on the abstract of measurements. The officer who signs the pay order should immediately on signing it cross out every page containing the detailed measurements of the work or supplies paid for by a diagonal red ink line. The officer who actually disburses the amount should enter the number and date of the voucher of payment with the remarks 'paid on..... by voucher No... ..' on the abstract of measurements.

(1) The document on which payment is made should invariably show, in the space provided for the purpose, the number and page of the measurement book in which the detailed measurements are recorded and the date on which the measurement was made.

**282.** Payments should not be made for bricks at a supplier's private kiln until they are handed over to the charge of the P. W. Department Officers.

**283.** To ensure the proper performance of the duties imposed on the Divisional Accountant under paragraph 473, he should have no hand either in preparing the bills of contractors or suppliers or in making cash payments to the latter, as such duties will impair his usefulness as examiner of claims and payments.

**284.** Contractors who are able to prepare their own bills should be supplied with forms 23 to 28 and loose measurement sheets for recording measurements, for their information, in support of the quantities entered in the bills. The P. W. D. officers and subordinates should, however, record measurements independently wherever necessary in their measurement books, vide paragraphs 268 and 269. The contractors' bills, when presented, should be checked by the subordinate in charge of the work with the measurements recorded by him in his measurement books and check measured by the Sub Divisional Officer before payments are made. See paragraph 464 Note (i) of the P. W. Department Code.

**285.** (a) Payments for work done or supplies made on a running account on bill forms 24 to 26 should ordinarily be made monthly. Both the 'quantities' and 'amount' of each distinct item of work or supply should be shown separately in the bill except (i) in the case of completed items of sub works the full details of which were included in the previous bill and (ii) in the case of the incomplete items or sub works as remain unaffected since previous bill.

In respect of items above it is sufficient if the amounts paid on earlier bills are shown in the subsequent bills, reference being given therein to the item numbers of the previous intermediate bills and the pages of the measurement book, in which full details were recorded. Full details (names, quantities, rates and amounts) should, however, be shown in the final bill for all sub works and items.

(b) Such payments should be treated as payments on account, subject to adjustment in the final bill which should be drawn, in the appropriate form, but printed on yellow paper, when the work or supply is completed or the running account is to be closed for other reasons. When a final payment is made on a running account, the payee, if he is able to write should add in his own hand-writing that the payment is 'in full settlement of all demands'. If the payee is illiterate, or is unable to write beyond signing his name, these words should be filled in by the officer making the payment.

The addition of the words 'in full settlement of all demands' does not preclude the disbursing officer from entertaining a further bona fide claim which may have been omitted from the final bill by mistake or through inadvertence.

**NOTE.**—A form printed on yellow paper is never to be used except for final payments.

(c) A separate running account is maintained in respect of each contract. Transactions relating to two or more separate working estimates should not be brought on to the same running account; they should, therefore, not be covered by a single contract. Transactions relating to two or more separate parts of the same working estimates, for which separate works abstracts are prepared under paragraph 323 should also appear in separate running accounts..

. 286. When secured advances are allowed by the Divisional Officer under sub para to paragraph 288 to a contractor whose contract is for finished work, it should be seen that an indenture in suitable form should be signed by the contractor and a detailed account of the advances must be kept in Part II of running account bill B. There should be separate entries, in respect of each class of materials, of the quantities brought to site by the contractor and the amounts advanced under the orders of the Divisional Officer. These advances must be recovered by deduction from the contractor's bills for work done as the materials are used in construction and the items of work in which they are used are billed for on the basis of actual measurements. Parts I and II of the bill should be compared to see that this order is being complied with. As recoveries are made, the outstanding amounts of the items concerned in part II should be reduced by making deduction entries in the column 'deduct quantity utilised' in work measured since previous bill equivalent to the quantities of the materials used by the contractor on items of work shown as executed in part I of the bill.

NOTE. No record should be kept in measurement books of the quantities of the materials but certificate 3 printed on the bill should be signed by the Sub Divisional or Divisional Officer in terms of paragraph 288.

### (C) *Aid to Contractors.*

287. It is necessary sometimes in the interest of work, to engage labourers or contractors or to incur other liabilities on behalf of the contractor concerned, with a view to complete work which he has neglected or failed to complete. In such a case, it is permissible to spend Government funds on behalf of the contractor in accordance with the terms of his agreement. Otherwise, no advance or recoverable payment should be made to or on behalf of a contractor, nor should financial aid be given to him in any form except in accordance with the paragraph below.

### (D) *Advances to Contractors.*

288. Advances to contractors are as a rule prohibited and every endeavour should be made to maintain a system under which no payments are made except for work actually done. Exceptions are, however, permitted in the following cases :—



Cases in which a contractor whose contract is for finished work, requires an advance on the security of materials brought to site. Divisional Officers may, in such cases, make advances up to an amount not exceeding 75 per cent. of the current value of the materials (as assessed by themselves according to their character), provided that they are of an imperishable nature and that a formal agreement is drawn up with the contractor under which Government secures a lien on the material and is safe-guarded against losses due to the contractor postponing the execution of the work or to the shortage or misuse of the materials and against the expense entailed for their proper watch and safe custody. Payment of such advances should be made only on the certificate of an officer not below the rank of Sub Divisional Officer that the quantities of materials upon which the advances are made have actually been brought to site, that the contractor has not previously received any advance on that security and that the materials are all required by the contractor for use on items of work for which rates for finished work have been agreed upon. The officer granting such a certificate will be held personally responsible for any over-payment which may occur in consequence ; recoveries of advances so made should not be postponed until the whole of the work entrusted to the contractor is completed. They should be made from his bills for work done as the materials are used, the necessary deductions being made whenever the items of work in which they are used are billed for.

Divisional Officers are responsible that—

(i) When secured advances have been made for materials, recoveries are made regularly from the very first payment made for those items of actual work in which such materials have been used.

(ii) No secured advances are made for any materials, unless they are to be used within three months at the most.

(iii) Materials are actually measured in detail before making secured advances on them and their value is based on the actual rates for the purpose of determining the percentage at which secured advances on materials should be made.

NOTE.—Imperishable materials include bricks, rolled steel, joints etc., while articles such as lime, sand, kankar etc. are perishable.

#### IV. PAYMENT TO WORK-CHARGED ESTABLISHMENT.

##### (a) *Conditions of Employment.*

289. Rules for the entertainment of work-charged establishment are laid down in paragraphs 122 to 132, Chapter I of the Public Works Department Code.

---

(b) *Pay bills.*

**290.** Wages of members of the work-charged establishment should be drawn and paid on form No. 29 'Pay bill of work charged establishment' which is a combined pay bill and acquittance roll form. A consolidated bill in the form should be prepared monthly either for the whole sub division or one or more sections of it, as may be convenient, but the names and claims of the entire establishment concerned including absentees, should be shown in each bill. Names should be grouped in the bill by works on which the men are employed, sanction to the entertainment of the establishment should be quoted in each case and the Sub Divisional Officer should certify in the space provided for the purpose that the men were on duty during the periods shown against their names, each man being employed on the work and on the duties for which his appointment was sanctioned.

(1) Deduction on account of fines etc., should be shown by special entries against the names concerned.

(2) If the acknowledgment of an individual cannot conveniently be obtained on the bill itself, it may be obtained separately on a hand receipt form No. 28 which should then be attached to the bill as a sub voucher.

**291.** Pay bills may be signed at any time on the last working day of the calendar month in which the wages are earned, though they are not due for payment before the first working day of the following month. When, however, the services of an individual are dispensed with, it is permissible and advisable to settle up his account at once.

(c) *Unpaid wages*

**292.** Wages remaining unpaid on a passed bill on the dates fixed for the closing of the accounts of the month, may be paid subsequently when claimed, the procedure prescribed below being observed :

(i) Items remaining unpaid on the monthly bill should be entered in a simple register, full particulars of the charge including reference to the bill, being noted in the register.

(ii) Subsequent payments should be made on hand receipts, form 28, reference to the bill in which the charge was originally included and to the particular item thereof, being quoted in each case.

(iii) When making payments of arrears, suitable notes of payment should be recorded against the original entries in the register.

*(d) Travelling Expenses.*

**293.** No bills need be prepared in support of claims for travelling expenses. Payments should be made on hand receipts, form 28, which should set forth all the necessary particulars of the journey performed and of the expenses claimed and should be countersigned by the Divisional Officer before payment.

*(e) Classification of Charge.*

**294.** Every payment made to a member of the work-charged establishment whether on account of his wages, or in recoupment of actual travelling expenses, should be charged to the work on which he is employed.

**295.** The cost of work-charged establishment must be shown as separate sub head of the estimate.

**C. MATERIALS.***I. General.*

**296.** Issue of materials to works whether from stock or by purchase, transfer or manufacture, are divided into two classes.—

*(1) Issues to contractors.*

Issue of materials to contractors with whom agreements in respect of completed items of work i. e. both for labour and material have been entered into.

*(ii) Issues direct to works.*

Issues of materials when work is done departmentally or by contractors whose agreements are for labour only.

**II. ACCOUNT OF MATERIALS AT SITE.***i. Major Works.*

**297.** In the case of major works in which transactions relating to the materials at site are not heavy, an account in P. W. A. form No. 34 should be maintained of all departmental materials brought on to the site of a work from any of the sources mentioned in the preceding paragraph, showing the sources and quantities of all receipts and of their issues to the work as the transactions occur. This account should be kept both by quantities and values in the case of works whose accounts are kept by sub heads and only by quantities in other cases.

In the case of big schemes, such as water supply and drainage works and other major works in which the transactions relating to materials at site are likely to be heavy, the following procedure should be observed. An annual register in suitable form should be maintained in the division and sub division offices and section offices giving a continuous record of the receipts, issues and balances of all materials for a particular work for all the months of a year and a monthly return in P. W. A. form No. 35 in duplicate should

be prepared by the section officer showing only those items of materials in which there are receipts and issues in a month and sent to the sub division office. One copy of the return will be retained in the sub division for posting the annual register maintained therein and the other copy sent to the division office for similar action. In the case of big works to which more than one section officer is attached, the section statements will be consolidated in the sub division and the consolidated return sent to the division office, so that the annual register may be posted up-to-date.

ii. *Minor Works and Repairs.*

A numerical account of materials at site of works should be maintained by the Section Officer and the Sub Divisional Officer in charge of the work in the form of annual register in P. W. A. form No. 36 giving a continuous record of the receipts, issues and balances of all materials for the work for all the months of a year. A monthly return in suitable form showing only those items of materials in which there are receipts and issues on a work in a month, should be submitted by each Section Officer to the Sub Divisional Officer for scrutiny and necessary action. At the end of each year or on the completion of a work or in the event of the charge of the work passing from one subordinate to another, the monthly return should however exhibit the closing balances of all materials at the site of the work. Each Sub Divisional Officer should forward to the Executive Engineer monthly a certificate to the effect that he has obtained from his section officers the accounts of materials at site of all minor works and repairs and scrutinised them, vide para 468 (e) of this Code.

The forms mentioned under the heads (i) and (ii) above provide also for the record of the estimated quantities in all cases and the value of materials in the case of major works only, so that, in the case of works executed departmentally and also in cases where any or all the items of contract are for labour, both the acquisition and the actual use of materials can be controlled with reference to the estimated requirements. In the case of works executed by contract however, the record of estimated requirements of material applies only to the materials, the supply of which is retained in the hands of Government. It is important that the estimated requirements should be duly corrected whenever a revision of the original estimate renders it necessary and a note should be recorded at the foot of the account that this has been done.

**NOTE.**—Materials belonging to a contractor should never be mixed up with departmental materials. Form No. 34 is intended to account for departmental materials alone.

**298.** All departmental materials brought on to the site of a work for use on that work from any of the following sources, should be

entered as receipts in the 'materials at site accounts' immediately on their receipt giving a brief reference to the measurement book or in the case of receipts from stock to the invoice in form No. 6 in cases covered by the last sentence of paragraph 165.

1. Suppliers
2. Stock or manufacture
3. Other works and
4. Other divisions and departments.

**NOTE.**—Materials already brought on to the site of work and accounted for as receipts in the site accounts, should be shown as minus receipts in the same when they are transferred to stock or to another work etc.

(1) It is important that as far as possible, materials should be obtained only when actually required and to the extent of actual requirements (vide also note under paragraph 479, Note 2 of the Department Code.)

(2) All petty items, the aggregate of which comes under Rs. 100 may be lumped together under a single head 'petty items' in the materials at site accounts only the value being shown.

**299.** When the materials are obtained by purchase, it is important that full details of the articles received should at once be entered in a measurement book, P. W. A. Form No. 22 in the manner prescribed in paragraph 269 C (see also paragraphs 163 and 164)

**300.** In all cases, materials issued direct to a work should, as soon as received, be brought into account as indicated below :—

Source of receipt of materials,	Head of account to be credited.	Value to be credited.	Mode of effecting adjustment of cost.
1. Stock including manufacture	Stock.	At issue rates plus storage charges.	Through stock accounts at the end of the month.
2. Transfer from another work	Work concerned,	At a valuation under paragraph 312 (d).	By a special transfer entry in form No. 49, prepared as soon as the materials are received.
3. Transfer from another division or department	Purchases	At rates charged by the division or department concerned.	Do.
4. Supplies.	Do.	At the rates payable to the suppliers under their contracts.	By a special transfer entry in form No. 49, prepared as soon as the materials are received.

The full value credited to the head concerned should be debited to the work (paragraph 311) and also entered in the 'materials at site' accounts in cases in which the works accounts are maintained by sub heads.

**301.** The cost of materials brought to the site of a work is debited to the suspense head 'materials at site' in the works accounts or is treated as a final charge according as it is a work for which detailed accounts by sub heads are kept or not.

## II. ISSUE TO CONTRACTORS.

### (a) *General conditions.*

**302.** (a) The issue of materials to contractors who have contracted for completed items of work is generally permissible only in the following circumstances.

(i) When it is decided to retain in the hands of Government the supply to the contractor of imported materials :

(ii) When in the interest of work, or with the object of utilising existing stocks of materials, it is desirable to retain in the hands of Government the supply of certain other materials as well, and a condition to this effect has been inserted in the contract.

(b) In both cases, the contract should specify (i) the materials to be supplied by the Government for use on the work, (ii) the place or places of delivery and (iii) the rates including the storage rates when the materials have to be issued from stock to be charged to the contractor for each description of material ; and the contractor should be held responsible for obtaining from Government all such materials required for the work and for making payment therefor, by deductions from his bills, at rates specified, regardless of fluctuations in the market rates or in the stock rates of the division. In cases where the value of materials (purchased by Government or drawn from Government stock) to a contractor or piece worker is not covered by the work done by him or by payment in cash, it is important that Government should be secured from any possible loss resulting from any failure on the part of the contractor or piece worker. In such cases sufficient security should be obtained from him before the materials are so issued.

(1) The rates to be charged to the contractors for materials to be supplied should be definitely specified, vague quotations e. g., 'at stock rates' being avoided ; and if intending contractors had been told that the materials would be supplied at a certain rate and asked to tender on that assumption, then that rate should be adhered to in the contract.

(2) Similarly, the rates to be allowed to the contractor for items of work, should be definitely stated.

(c) No carriage or incidental charges are borne by Government for moving the materials beyond the place where the contractor has agreed to take delivery thereof.

**303.** (a) As a general rule, no other materials should be supplied to such contractors for use on works, but this restriction may be waived by the Sub Divisional Officer in respect of petty issues (at full issue rates) of materials from existing stocks, not exceeding Rs. 50 in any month for any one contract.

(b) if at any time subsequent to the execution of a contract on a through rate basis, the contractor desires the issue to him, for use on a work, of materials which exist in Government stocks, but the supply whereof by Government was not provided for in the contract, the materials should not be issued except with the express authority of the Divisional Officer who should specify in each case the rate to be charged for the materials inclusive of delivery at the place where they are stored. The rate should be the market rate at the time of the supply or the issue rate, whichever may be greater and should include the storage charges and no carriage or incidental charges should be borne by Government in connection with the supply.

(1) The intention of this rule is to prohibit the supply of materials to contractors with the object of giving them financial aid, the grant of which is governed by para 287 of this Code.

(c) Issues of stock materials to contractors for bona fide use on works are exempt from the usual charge of 20 per cent on account of supervision which is made when stock materials are sold to the public, vide para 506 of the Public Works Department Code.

*(b) Accounts Procedure.*

**304.** All materials required for issue to a contractor under any of the provisions of paragraphs 302 and 303 should be made over to him, as soon after their receipt as possible but not far in advance of their requirement for actual use on the work and an unstamped, but dated acknowledgment, detailing full particulars of the materials including the rates and values chargeable to him should at once be taken from the contractor. The issue of the materials should simultaneously be entered in the issue account form No. 34.

**305.** When the materials are obtained by purchase, full details of the articles should at once be entered in a measurement book, form No. 22, in the manner prescribed in para 269, (see also paras 163 and 164.)

**306.** On the authority of the contractor's acknowledgment, the cost chargeable to him under paragraph 302 or 303 as the case may be, should be debited at once to his personal account by

charge to suspense head 'contractors' other transactions' in the works accounts and credited to the suspense head 'materials at site' by being posted in the issue columns or where this is not maintained as in the case of minor estimates as a minus debit to the final head (vide para 311.) If the amount charged to the contractor's account differs from that originally debited or debitable to the suspense head 'materials at site' for the materials, then, only the latter amount should be credited to the head 'materials at site' in the works and site accounts, the difference being treated as additional final outlay under a separate sub head 'additional charges for materials issued to contractors' plus or minus according as the amount charged to the contractor is less or more than the cost originally debited to the 'materials at site'. This is necessary in order to be able to balance the sub head 'materials at site'. (See para 326.)

(1) The object of this rule is to ensure that the full amount chargeable to the contractor is debited to his accounts as soon as the materials are delivered, so that (i) he may not receive payment at full rates, for the completed items of work prior to the value of the Government materials used by him therein being charged to his account, or (2) his final bill for the work done may not be settled before the full value of materials recoverable from him has been debited to his account.

(2) It is for this purpose that the debit to the contractor's account is required to be made in the above paragraph as soon as the materials are delivered to him, by credit to the suspense head 'materials at site' in the works account or the final head in the case of minor estimates, although the actual cost of the materials may not have been paid or adjusted by Government at that time, (see para 300.)

(3) Issues from stock (including manufacture) should be accounted for through the stock returns. For other issues, a special transfer entry should be prepared by the Sub Divisional Officer in form No. 49 as soon as each transaction takes place.

**307.** The recovery from a contractor on account of the cost of materials issued to him for use on a work should ordinarily be made by deduction from the first bill authorising a secured advance payment or an on-account payment to him for the work. Should, however, a lump sum recovery be undesirable in any case, the Divisional Officer may permit, for recorded reasons, the recovery to be effected gradually as the materials issued to the contractor are actually used in construction and the items of work on which they are used are paid for whether by an advance payment or by an on-account payment.



**308.** As the issue of materials to contractors under the foregoing rules is permissible solely for the bonafide requirements of Government works, Sub Divisional Officers should make such arrangements as may be deemed suitable for limiting the total issues to a contractor in connection with a particular work to the reasonable needs of that work. This precaution is particularly necessary when the rates at which materials are issued under paragraph 302 are lower than the prevailing market rates, or the latter are expected to rise appreciably. It can be watched that the aggregate of the quantities of any or all the materials issued to a contractor from time to time for use on a work is within the estimated requirements of the contract by means of the materials at site account form if the top portion of the form is filled up, (vide para 297.)

*(c) Return of surplus materials.*

**309.** Government do not undertake to take over from contractors, whether before or after the completion or determination of contracts, surplus materials which were originally procured by the contractors for themselves or were issued to them and charged to their accounts under paragraph 304. Such materials are the property of the contractors and can be taken over by Government, if required, for use on other works in progress, only by special arrangements and at the prevailing market rates. If the materials were originally supplied by Government, the price allowed to the contractor on re-acquisition should not exceed the amount charged to the contractor excluding the storage charges if any.

(1) Contractors are, however, not at liberty to remove from site of works without the written permission of the Divisional Officer materials which have been issued to them for use on a work, and a stipulation to this effect should ordinarily be entered in their agreements.

*(d) Tools and plant lent for use.*

**310** The rules in paragraphs 297 to 303 do not apply to tools and plant. Articles borne on the tools and plant account of the division may, in accordance with the rules in paragraph 514, Chapter IV of the P. W. Department Code be lent temporarily to contractors on hire for use on Government works, (see also paragraphs 204 and 207.)

**ISSUE DIRECT TO WORKS.**

*(a) Detailed Accounts.*

**311.** (a) In the case of minor estimates, the cost of materials at site is charged finally to the work there being no sub head 'materials

at site' in the works account. No further adjustment is necessary when materials are actually used up on the work. The detailed control over unused materials can be exercised by means of the numerical account in the 'materials at site' accounts in P. W. A. form No. 36, vide paragraph 297.

(b) In the case of major estimates which have the suspense head 'materials at site' in the works account, the value of materials as they are issued, should be posted in P. W. A. form No. 34 grouped according to the sub heads of issue. At the end of each month, the total of the issues under each sub head should be charged under the respective sub head of the works abstract, by credit to the suspense head 'materials at site.'

NOTE: Materials already brought on to the site of work and accounted for as receipts in the site accounts, should be shown as minus receipts in the same when they are transferred to stock or to another work etc. .

*(b) Disposal of surplus department materials.*

**312.** (a) Materials issued to works in excess of requirements may be transferred to other works if they are required or to stock provided they are serviceable and certain to be required.

(b) All surplus materials at site of work transferred to works in progress or brought to stock account in accordance with para 509 of the P. W. Department Code should have their value credited to the work to which they were originally issued and debited to the work to which they are transferred or to stock account, as the case may be.

(c) A list of surplus materials not disposed of under clauses (a) and (b) above should be maintained in the sub division offices as a supplement to the half yearly stock returns, unless the Chief Engineer considers this unnecessary.

(d) Materials returned to store or transferred to other works should be priced within current market rates, any resultant loss being borne by the work to which they were originally issued and the disposal of materials being shown in the materials at site accounts also.

(e) The loss by the disposal of surplus materials at less than the book value (vide paragraphs 604 (i) and 624 (ii) of the P. W. Department Code) should be debited to the work for which the stores were originally purchased.

NOTE: These rules do not apply to surplus materials which were originally procured by contractors for themselves or was issued to them and charged off to their accounts under paragraph 304 (see paragraph 309)

*(c) Verification of unused balances.*

**313.** Unused balances of materials charged direct to works should be verified at least once a year in the manner prescribed in

paragraphs 495 and 496 of the P. W. Department Code. Whenever this verification is made, a report of verification of the materials should be prepared by the Sub Divisional Officer in P. W. A form No. 34 and submitted to the division office. The following instructions should be observed in preparing the report :

(a) The closing balance (total of receipts and balances minus the total issues up to end of the month) should be entered against line B in the form and the differences, if any, between this balance and the actual balance as verified against line D.

(b) The quantities of principal items of materials probably used in work should be noted against line E. These should be calculated on the basis of the 'progress' of work done on each sub head, such authorised formulæ being adopted as may be approved by the Chief Engineer,

(c) Deducting these quantities from the total quantities of the materials issued to the work as per line A of the form, the paper balance of the unused materials should next be arrived at and set forth against line F.

(d) The report should then be completed by recording against line G remarks explaining action taken (i) to adjust the differences as per lines D and F; (ii) if the work has been completed, to dispose of the surplus balances as per line G and by signing the printed certificates applicable to the case and scoring out the others.

(e) The differences as per line F may be due to (1) adoption of the method of determining the actual consumption, (2) unreasonable wastage or (3) shortage in some other form. The discrepancies as per line D may be due to differences between the actual receipts or issues with those entered in the accounts, or to errors in measurements or in posting entries or losses of materials due to carelessness or neglect or fraud on the part of the subordinates. These differences, should be carefully investigated and adjusted in accordance with paragraphs 347 to 350.

**314.** A similar verification of the unused balances of materials must invariably be made on the completion of a work, but on or before the completion of a work, when no more materials are required for use in construction, steps should first be taken to dispose of all surplus materials by transfer or sale, so that (1) the accounts of the work may promptly receive such credits as may be admissible under paragraph 312 and (2) the balance at debit of the suspense head 'Materials-at-site' representing the unused surplus materials may be reduced to a minimum.

On the completion of a work, the surplus materials at site should be disposed of without delay in accordance with paragraphs 509 to 511 of the Travancore P. W. Department Code.

**315.** If the Officer in direct charge of a work is transferred before the accounts of it are closed, the unused materials at site of the work should be verified by the relieving officer jointly with the relieved officer and the report prescribed in paragraph 313 should be prepared by the Sub Divisional Officer and submitted to the Division Office.

**316.** A report is required annually of the value of materials at site of all works the accounts of which were open on the last day of the official year. This report should be prepared in P. W. A. form No. 34 and submitted to the Division Office in the manner prescribed in paragraph 314 as on completion of work, but it is not necessary that the balances should be verified at the close of the year, if

(i) the work has been under construction for not more than three months,

(ii) the accounts of the work are expected to be closed within three months, or

(iii) the balances were verified at any time during the year.

**317.** Reports of verification of materials in form No. 34 prepared under paragraphs 313 to 316 should be dealt with in the Division Office in the manner described below :—

(a) A register showing the clearance of the suspense head 'materials at site' in the accounts of the work should be maintained in P. W. A. form No. 37. A separate folio of the register should be reserved for each work for which a 'materials at site' account is kept, and for facility of reference, the register should have an index.

(b) Each report of verification in form No. 34 should be entered in part I of P. W. A. form No. 37 as soon as received.

(c) The difference, if any, between the closing balance and the actual balance as verified—line D of form No. 34—should be recorded in part II of form No. 37 and the paper balance of unused materials—line F of form No. 34—in part III of form No. 37. Part IV of form No. 37 is intended to show how the materials remaining unused, i. e. the actual balance of materials on completion, as per line C of form No. 34 are proposed to be disposed of. Parts I, II, and III should be operated on the receipt of each intermediate report of verification as well as of the final report, but Part IV on the completion of the work only.

(d) Petty deficiencies and surpluses held to be due to the adoption of the method for determining the quantities used in construction, may be adjusted under the orders of the Divisional Officer by debit or credit to the sub heads concerned, action being taken separately, if necessary, to make suitable revision of the method in use.

(e) Shortages and losses for which any contractors are held responsible should be adjusted by prompt recovery either in cash or by debit to their personal ledger accounts. The recoveries should be credited to the work, a suitable entry being made in the works abstract also, to show the credit to the work. If they are recoverable from other persons the debit should be transferred to 'Miscellaneous Public Works Advances' by credit to the work by a transfer entry.

(f) Other actual losses which are irrecoverable, ordered to be written off by a competent authority, should be borne by the work itself and should remain charged thereto. They should be transferred to the sub head "contingencies" or to the other sub heads concerned or even to a sub head opened for the purpose, as the case may be, according to the statistical value of the recorded cost of final sub heads of work.

(g) Materials found in excess should be credited to the work, under the appropriate sub heads and shown as "Receipts" in the column "Materials at site" in the works accounts and also in the Materials at site accounts.

(h) The cost of surplus materials which cannot be sold or transferred elsewhere and losses on account of the sale or transfer of surplus stores at a reduced valuation should be adjusted in the works accounts by a charge to the sub heads concerned by credit to the sub head 'Materials at site'.

**NOTE** The adjustments in clauses (f), (g) and (h) in the works accounts are only between the sub heads therein and do not affect the total outlay on the work. No adjustments therein are therefore required in the case of minor estimates for which no sub heads are kept. It is sufficient if the correct verified balances are carried forward in the cases of (f) and (g) in the numerical site accounts for future purposes.

#### D. ADJUSTMENTS.

**318.** In addition to cash payments and issue of materials, there are other transactions relating to accounts of work, which are of the nature of adjustments, usually recorded in the transfer entry book of the Division Office. The details governing the transactions are given in chapter VII.

#### E. WORKS ABSTRACTS.

##### I. *Introductory.*

**319.** An account of all the transactions relating to a work during a month, whether in respect of cash, stock or other charges, should be prepared by the Sub Divisional Officer in one of the works abstracts forms. In the case of major estimates, a separate account should be maintained for each sub head estimated to cost

not less than Rs. 500 and in the absence of orders of the Divisional Officer to the contrary, the remaining sub heads should be lumped together. For such works and for those minor estimates for which the Chief Engineer may desire accounts to be kept by sub heads, the detailed form of works abstract A. P. W. A. form No. 31 should be used. For other minor estimates the simpler form of works abstract B. P. W. A. Form No. 32 should be used in which the account of the final outlay is not kept by sub heads.

The estimate, account and completion certificate of petty works are ordinarily prepared on a single form, petty works requisition and account P. W. A. form No. 30 and separate works abstracts are not necessary. But when the accounts of the work involve transactions which cannot be suitably recorded in Part IV of form No 30, the accounts should be kept on the simple form of works abstract, form No. 32.

(1) Percentage charges on account of establishment, tools and plant, and account and audit and pensionary charges levied on works expenditure, under rules 5 and 10 of Appendix II should not be shown in works abstracts and registers of works, though they are eventually included in the cost of works.

(2) The maintenance of works accounts by sub-heads in the following cases will be unnecessary.

(i) When a work or sub work is executed entirely by one contractor irrespective of the value of work done,

(ii) The Chief Engineer may dispense with the maintenance of accounts by sub heads for any work if he considers that the circumstances of the work render such accounts useless or impossible to maintain. In such cases, a copy of the orders, specifying the reasons should be forwarded to the Accountant General,

**320.** Ordinarily there should be one works abstract monthly for each working estimate, but if the estimate is for a large work which is divided into several sub-works, it will usually be found convenient to prepare a works abstract separately for each sub work.

## II. CLASSIFICATION AND RECORD OF FINAL CHARGES.

### (a) *Major Estimates.*

**321.** The division of a major estimate into sub heads for the purposes of accounts is guided usually by the classification sanctioned in the abstract of the estimates. See para 209 of the Departmental Code. In all cases, miscellaneous charges of a general nature which do not pertain to any sub head in particular, may be treated as separate sub heads, being grouped under one or more heads, *e. g.*

'works charged establishment' 'contingencies' etc. See paragraphs 117 and 221 of the Public Works Department Code.

(1) When the number of heads of an estimate is large, it will be convenient to assign a number to each sub head and to prefix this number to the name of the sub head, wherever it is used on vouchers, works abstracts, registers of works or other accounts.

**322.** After a major estimate has been sanctioned, it may be decided to make a change in the method originally contemplated for the execution of the work. In such a case, the original abstract should be recast in accordance with paragraph 209 of the Public Works Department Code. The details of cost and quantities already approved by competent authority should be rearranged and the revised abstract should be approved by the Divisional Officer and thereafter treated as the sanctioned abstract of the estimate for all account purposes.

**323.** If the number of sub heads in the working estimate for a work or sub work is large, it is permissible to break up the estimate into two or more parts and to treat each part as a sub work for the purposes of accounts ; but no part of an estimate can be separated from the rest, if any contract for the execution of the work connected with it covers also work connected with the other parts. It is advisable to adopt this course if one or more parts of work or sub work are completely executed long in advance of the others and no useful purpose will be served by keeping open the accounts of the completed parts.

**324. (a)** The account of each sub head in the works abstract should ordinarily exhibit

- (i) 'amount' i. e. total charges finally classified under the sub head ;
- (ii) 'progress' i. e. total quantities executed from time to time ; and
- (iii) 'rate of cost' i. e. cost per unit on the basis of the recorded 'amount' and 'progress'

(b) In the case, however, of sub heads, which have been lumped together under paragraph 319 above, or sub heads representing items of work which cannot be expressed in quantities, no quantities are shown in the abstract of estimate and the record of 'progress' and 'rate of cost' in the accounts is not necessary, the entries in the amount column being sufficient

(c) In other cases, the 'progress' and 'rate of cost' should be recorded in the accounts both during the progress of construction and on completion of work, but the monthly record thereof under

any sub head may, during the progress of construction, be dispensed with in the following cases under the written orders of the Divisional Officer which should strictly show reasons :

(1) If the duration of construction under the sub head is not expected to be more than three months.

(2) If the quantities executed are not in the same units as specified in the estimate or they cannot be expressed even roughly except on or towards the completion of the work.

**325.** The charges classified under a final sub head should include all ordinary expenses incidental to construction. If any part of a work is pulled down and rebuilt to any serious extent, the extra charges for construction should ordinarily be debited to the sub head concerned unless they are recoverable from the contractor under the terms of his agreement. But, if the amount involved be so large as to affect sensibly the cost or rate of the sub head, it may be debited to the sub head 'contingencies' instead or with the sanction of competent authority, to a new sub head additional to the originally sanctioned sub heads of the estimate.

**326.** In the accounts of Major estimates, a final sub head entitled 'additional charges of materials issued to contractors' should be opened if the system of issue of materials to contractors has been adopted, and the rates charged to the contractors therefor under paragraphs 302 or 303 as the case may be, are either more or less than the actual cost to Government. This sub head should bear all losses on this account and receive credit for all profits as explained in paragraph 306. The carriage and incidental charges in connection with the materials issued to the contractors should also be debited to this head, if under paragraph 364 they are chargeable to the work.

**327.** If any receipts or recoveries are credited under the rules to the account of a major estimate, a special sub head should be opened in the works abstract for the reception of all such credits.

### (b) *Minor Estimates*

**328.** If the Chief Engineer requires that the accounts of a minor estimate should be kept by sub heads (*vide* paragraph 319) the rules in paragraphs 321 to 326 shall be followed. In the case of a minor estimate for buildings, bridges and other structures, if the transactions relating to the direct issue of materials are of sufficient importance and it is desirable, with the object of exercising control thereon, to record their cost separately in the accounts, the procedure prescribed in paragraph 311 in respect of major estimates, may be adopted and a column opened for the suspense head 'materials at site' in the works abstract. In all other



cases, the accounts of all final outlay on a minor estimate should be kept in a single column, headed 'final charges' in works abstract P. W. A. form No. 32.

### III. SUSPENSE ACCOUNTS.

#### (a) *General*

**329.** In addition to the head 'final charges' or the final sub heads in the case of major estimates, a few suspense accounts are opened in works abstracts to record transactions of a temporary character which are either not adjustable as final outlay in the accounts of the works concerned or the correct classification of which cannot be immediately determined. These accounts are :—

(i) Materials at site for the record of the receipt and issue of materials,

(ii) Contractors secured advances for the record of secured advances and their recoveries,

(iii) Contractors—other transactions for the record of all other debits or credits to contractors awaiting settlement, and

(iv) Labourers for the record of unpaid wages of labourers and of their subsequent payment.

#### (b) *Materials at site*

**330** The suspense account 'materials at site' has already been referred to in paragraphs 306 and 311. This sub head should be opened in the works abstracts of major estimates. It may also be opened in the case of minor estimates if the transactions are of sufficient importance *vide* paragraph 319.

**331.** Secured advances made to a contractor under para 288 should not be charged off as final outlay on the work or under any sub head of it. A suspense head 'contractors- secured advance' should be opened in the works abstract in forms 31 or 32 as the case may be for the record of secured advances and their subsequent adjustment.

#### (c) *"Contractors," & "Labourers," Accounts*

**332.** Advances made to contractors and suppliers under paragraph 335 of Public Works Department Code, whether on the security of materials or otherwise as well as all recoverable payments made under proper authority to labourers and others on behalf of contractors, should be treated as advances made on account of work concerned. They should not be charged to the general suspense head 'miscellaneous P. W. advances' but incorporated in the works abstract as suspense

'contractors—secured advances' is intended solely for advances made to contractors, on the security of materials brought to site, under sub para to paragraph 288 of this Code and the head Contractors—other transactions' should be used for all other transactions.

**333.** The head 'contractors—other transactions' is intended also for watching the ultimate payment of unpaid balances of contractors' accounts. Similarly the head 'labourers' is meant for the clearance of unpaid wages of labourers. If a running account bill or muster roll is only partly paid, the total amount due thereon as value of work done or supplies made should be brought to account in the works abstracts as final charges or expenditure on the sub heads concerned, and the amount remaining unpaid should be shown as a minus entry in the appropriate suspense column 'contractors—other transactions' or labourers.

**334.** The forms Nos. 31 and 32 works abstracts provide a column for each of the suspense accounts enumerated in paragraph 329. The use of the head 'materials at site' is explained in paragraph 311 and the foot notes printed on the forms of the works abstracts explain the mode of making both original and adjusting entries under the other suspense heads.

**335.** If any wages of labourers remain unpaid after the completion of the work, the accounts of the work may be kept open for a period of one month, which may be extended to three months at the discretion of the Divisional Officer. Thereafter the accounts of the work should be closed, the balance under the suspense head 'labourers' being left unadjusted. This amount should be shown in any completion report or statement that may be prepared under the rules in paragraph 354, Chapter II of the Public Works Department Code, by a special remark, as a liability against the work and it should be excluded from the total final expenditure on the work so as to arrive at the amount actually brought to account.

(1) If unpaid wages of labourers are claimed and paid subsequently to the closing of the accounts of a work, the payment should ordinarily be charged against a fresh estimate under the same head of service as the original work, a suitable note being recorded by the Divisional Officer against the closing entry relating to the original work in the register of works. Where, however, it may prove more convenient, the accounts of the work may be reopened at the discretion of the Divisional Officer.

**336.** The account of a contractor should be closed as soon as his contract is completed. If he delays to receive final payment for more than one month after the final bill has been passed, a note to this effect should be recorded on the bill, the account of the work as passed on the bill should be incorporated in the works abstract on the authority of the bill and the balance due to him should be removed from the accounts of the work by credit to the head 'Revenue Deposits' to be dealt thereafter under the rules relating thereto.

(1) If the final account of a contractor shows that he has already been overpaid or that the account closes with a balance due by him, the account should be settled by a recovery in cash or otherwise; but if an immediate recovery is not practicable, the balance should be removed by debit to the head 'Miscellaneous P. W. Advances.'

**337.** Disbursing officers are responsible for keeping a strict watch over the balance under the suspense accounts 'contractors' and 'Labourers' with a view to prompt adjustment by recovery, settlement of account or detailed measurement, as the case may be. For this purpose the statement headed 'detail of contractors' closing balances' and the suspense head 'labourers' in the works abstracts should be examined monthly. Subject to the provisions of paragraphs 335 and 336, these accounts should be cleared before the accounts of a work can be closed on completion.

#### IV. *Liabilities awaiting Incorporation.*

**338.** Liabilities are not incorporated in the accounts of works except in the following cases.

(a) Unpaid balances of partly paid running account bills or muster rolls are invariably incorporated, *vide* paragraph 333.

(b) The value of materials received from sources other than stock (including manufacture) whether for issue to contractors or for issue direct to works is at once brought into the account of works even though payments to suppliers and adjustments crediting the transfer accounts concerned, may not be made at once, *vide* paragraphs 300 and 306.

(c) Wholly unpaid muster rolls and bills of contractors and suppliers are sometimes taken to account, *vide* paragraphs 335 and 336.

Disbursing officers are, however, responsible for keeping a strict watch over all liabilities with a view to settle them promptly. Money indisputably payable should never be left unpaid. It is no economy to postpone inevitable payments, and it is very important to ascertain, liquidate and record the payment of all actual obligations at the earliest possible date, *vide* Article 88 of the Financial and Account Code.

**339.** If any liabilities of works are incurred on behalf of contractors under the provisions of paragraph 287, arrangements should be made for withholding sufficient balances from their bills or for making necessary recoveries from them in due course. On the analogy of the rule in paragraph 262, all records on the authority of which liabilities may be liquidated or incorporated in the accounts should invariably specify—

- (i) the full name of the work as entered in the estimate,
- (ii) the name of the sub head thereof, if any,
- (iii) the recoverable charges, if any, with the name of the contractor or other person from whom recoverable.

#### V. *Record of progress.*

**340.** Entries of 'progress' in the works abstracts (*vide* paragraph 324) should be supported by details in the statement provided for the purpose in the works abstract form. These details should be furnished by the Engineer or the subordinate in charge of the work or by any executive officer or subordinate detailed for the purpose, and should be based on entries already made in the measurement book. Their compilation from measurement books, vouchers or other records, by members of the office establishment should not be permitted. The following points should be specially borne in mind.—

(i) Only 'quantities' actually measured and paid for should be reported as 'progress.'

(ii) The progress reported should specify the quantities executed up to date, sets of earlier measurements covered or superseded by later ones being ignored.

(iii) The progress of an item of work should be so reported as to describe as approximately as possible, in terms of the unit adopted, the quantities of work executed up to the required standard.

NOTE. It is recognised that perfect accuracy cannot always be secured in making intermediate reports of progress. A fairly reliable record is all that is necessary but if the nature of the work makes it impossible or difficult to achieve this in practice, reports of progress may be dispensed with in cases covered by paragraph 324.

#### VI. *Preparation, Completion and disposal of works abstracts.*

**341.** The works abstract should be prepared in the sub division office in the first instance. It should be posted day by day from the cash book and the connected bills of contractors and suppliers, cash refunds being posted as minus entries. At the end of the month, stock and adjustment transactions should be added.

When the form of the works abstract contains the column materials at site, the charges debitable to the work on account of materials should be posted in the receipts column of the suspense head 'materials at site' from the cash book and connected bills day by day or from the transfer entry book and stock registers at the end of the month, as the case may be. When materials are issued to contractors, the cost should be credited then and there under the sub head 'materials at site issues' or under the final head in the case of minor estimates, by debit to the head 'contractors—other transactions' even though the debit to the work on account of materials may be made later on, vide paragraph 306. In the case of departmental works, the suspense head materials at site, may be cleared at the end of the month through the materials at site accounts by debiting the cost of materials to the respective sub heads for which they have been issued by credit to the suspense head materials at site.

In the detailed statement provided for the purpose, quantities of work executed should be posted from measurement books or other sources and the closing balances of contractors' accounts should be detailed so as to prove the correctness of the up-to-date totals under suspense head (i) contractors—secured advances and (ii) contractors—other transactions. The balance at the debit of the Suspense head 'materials at site' in the works abstract should be reconciled with that in the detailed account in P. W. A. Form No. 34. The closing balances arrived at under the suspense head 'labourers' in each case should be agreed with the connected record of unpaid wages and its correctness should be certified over the dated initials of the Sub Divisional Officer. The works abstracts should then be forwarded in original to the Division Office where the necessary completing entries will be made in respect of the direct charges and adjustment made by the Divisional Officer and the abstract checked and closed under the supervision of the Divisional Accountant, who should record a certificate in the following form.—

"This abstract has been checked by me. I have personally compared all the items in the 'details of contractors' closing balances with the contractors' ledger and found them correct."

(1) The posting of stock and adjustment transactions may, if preferred, be done entirely in the division office.

(2) Postings made in the sub division office should be in black ink and all postings and corrections made in the Division office in red ink.

(3) Office copies of works abstracts need not be kept, as the originals are returned by the division office after completion. Before the works abstracts are sent to the division office, the up-to-date totals should be entered forward in the return for the following month and these should be corrected, if necessary, on receipt back of the works abstracts from the division office.

**342.** When finally completed in all respects, all the works abstracts of a month should be examined by the Divisional Officer and any explanations necessary called for from the Sub Divisional Officer. The monthly examination of works abstracts is an important part of the duty of the Divisional Officer and must not be omitted. He must initial and date them in token of the performance of his duty.

#### F. REGISTER OF WORKS.

##### *I. Forms of registers of works & their preparation.*

**343.** (a) The permanent and collective record of the expenditure incurred in the division, during a year, on each work is the register of works. This record is maintained in the division office. The object of this register is to get an analysis of the cost of sub works and sub heads, the rate of cost of work, and to foresee as far as possible excesses over estimates.

(b) There are two forms of registers of works corresponding respectively to the forms of works abstracts. The detailed form No. 39 should be used for major estimates and the simple form No. 40 for minor estimates. In respect of petty works the expenditure may be recorded in the register of works for minor estimates.

**344.** The registers of works are posted monthly from works abstracts. A separate folio or set of folios of form No. 39 should be assigned to each major estimate, but entries relating to two minor estimates can be made in a single page of form No. 40. When separate works abstracts are prepared, under paragraphs 320 and 323 for the sub works or parts of a major estimate, the transactions relating to each works abstract should be posted separately and an abstract for the entire work should be prepared on a separate folio or set of folios for comparing the cost of the work and its sub works with the provision in the estimate.

The following instructions should receive special attention.

(a) The register of works is not a classified account of works ; for facility of reference it should be supplied with an index which should be sub-divided under the prescribed heads of account classification.

(b) The sanctioned amount of estimate should be entered in respect of each work. When supplementary estimates are sanctioned, the additional amounts sanctioned should be entered below the corresponding amounts of the original estimate and both totalled. But when a revised estimate is sanctioned, the register of the original estimate should be closed and the revised estimate should be entered on a fresh folio, prominently marked "revised estimate" in red ink, and a reference to the folio on which the original estimate is to be found should be entered thereon.

(c) In the case of works for which specific appropriations are sanctioned individually, vide paragraph 91, the amount of appropriation for the year should be noted in the register at the top of the page, any additions or deductions made during the year being noted in the same place.

(d) The blank vertical column in form No. 39 should be utilised for the final sub heads of the estimate and for as many of the suspense heads as may be operated upon, but the sub columns for 'quantity' and the horizontal columns for 'rate of cost' should be left blank in respect of sub heads for which there are no quantities in works abstracts vide paragraph 324.

(e) In form 40, final charges on works should be posted in the column 'total value of work done' and the single column 'suspense accounts' should embrace the transactions under all the suspense accounts.

## II. EXAMINATION BY DIVISIONAL OFFICER.

**345.** Before the date of submission of the monthly accounts to the Audit Office, the posting of the registers of works should be completed and the registers should then be laid before the Divisional Officer for review. The monthly account of each work on which there has been expenditure during the month should be initialled and dated by the Divisional Officer in the column set apart for the purpose, in token of his having examined the entries and found them correct. Actuals as well as probable excesses, whether in the total cost of a work or sub head or in the rate of cost of a sub head, should receive special attention and works slips in form No. 38 should be prepared and submitted to the Chief Engineer when necessary, vide paragraph 84, Chapter I of the P. W. Department Code.

(1) If the transactions of a division are very large, the Divisional Officer may allow an extra period of a few days for the completion of the registers of works, but the submission of the monthly accounts to audit and the completion of the works abstracts (paragraph 341) should not be delayed on this account.

(2) It should be seen, with special reference to works on which there have been only petty or no transactions during the previous two or three months, if there are circumstances justifying the retarded progress of expenditure. If any such works have been stopped or are known to be nearing completion, the delay in closing these accounts should be enquired into, see also paragraph 346. If the slow progress of expenditure is due to delays in measuring work done or in settling up bills the cause at work should receive attention.

(3) In the case of workshops, the Superintendent should see that the register of workshop jobs is posted up-to-date. He should also test check the entries in the case of at least 5 per cent. of the jobs under execution and record a certificate to that effect.

### III. *Closing the accounts on completion of work.*

(a) Settlement of liabilities and assets, and clearance of suspense accounts.

**346.** It is an object of great importance to close the accounts of works as soon as possible after the actual work of construction is completed, vide paragraph 85 of the P. W. Department Code. If there is necessarily any delay in closing the accounts, it should be seen in particular that further charges are not incurred without the permission of the Divisional Officer.

**347.** Before the accounts of a work can be closed on its completion, it should be seen that any adjustments of cost necessary under the rules e. g. paragraphs 180 to 187, Chapter II of the P. W. Department Code, have been duly made in the accounts, that all liabilities not originally brought to account have either been liquidated or since brought to account and that the balances under the suspense accounts 'contractors' and 'labourers' have been cleared, vide paragraphs 334 to 337. If the whole or any part of the expenditure on the work is recoverable from another department, local body or individual, action should be taken to effect or complete the necessary recovery before the accounts of the work are closed.

**348.** The steps to be taken to clear the suspense head 'materials at site' have been detailed in paragraphs 312 to 314 and 317.

**349.** The sub head 'additional charges for materials issued to contractors' vide para 326 should receive the special attention of the Divisional Officer who should, if necessary, investigate large closing balances under this head before permitting the accounts of the work to be closed. It is not necessary to clear this head by transferring the charges booked under it to other final sub heads, but profits or losses which are not clearly traceable to known



differences between the rates chargeable to contractors and the actual cost to Government, should not be accepted as correct without closer examination.

**350.** The accounts of annual maintenance estimates must be closed on the last day of the last month of the working year for the purpose. Ordinarily it should be possible to complete all the repair work and to settle the accounts of contractors and other suspense accounts before the expiry of the working year. If, in any exceptional case, any work remains to be done, and, in accordance with paragraph 254, Chapter II of the P.W. Department Code, it is proposed to carry it on to completion, action should be taken as under :—

(i) The expenditure incurred in the next working year should be treated as expenditure against the annual maintenance estimate for that year.

(ii) The suspense accounts of the work should be closed in the last month of the working year, by transferring the balances of all those accounts to the general suspense accounts 'miscellaneous P. W. Advance' or 'Public Work deposits,' as the case may be, which should be relieved in the following month by re-transferring the balances to the suspense account concerned in the accounts of the maintenance estimate for the next working year. All unsettled liabilities and assets should then be treated as those pertaining to the next working year's estimate.

(b) *Closing entries and review of expenditure.*

**351.** (a) When the work is completed and the accounts of it have been settled and written up as indicated in paragraphs 317 and 347, a double red ink line should be ruled below the final entries and a note made in red ink 'work completed in.....'. This note should be signed by the Divisional Officer in token of his satisfying himself that all action has been taken under these paragraphs. It will be the authority for treating the accounts of the work as closed, and a work should not be reported as completed in the division accounts unless this authority has been placed on record.

(b) If it is a deposit work, steps should be taken promptly to surrender the unexpended balance, if any, of the deposit with the approval of the Divisional Officer.

(c) *Excesses over Estimates.*

(i) *Excesses passed by the Divisional Officer.*

**352.** If the total expenditure on the work is in excess of the sanctioned estimate, and the excess is passed by the Divisional

Officer under his powers, the words 'excess passed by me' should be added to the completion note under paragraph 351.

(ii) Completion reports and estimates.

**353.** If, however, the excess is not within the Divisional Officer's powers to deal with, a detailed completion report in P. W. A. form No. 43 should be prepared or the item should be included in a consolidated completion statement of works and repairs in form No. 44 as may be required under the rule in paragraph 354, chapter II of the Public Works Department Code. The completion note in the register of works should then be amplified thus :

'Works completed in completion report/statement submitted with this office letter No. \_\_\_\_\_ dated \_\_\_\_\_ The orders passed subsequently by higher authority on the excess reported in the completion statement or report should be noted in the register of works to complete the record. The completion statements and reports received after admission in the Accountant General's Office, should be arranged head-war and carefully filed in the division office.'

#### IV. *Correction of errors after closing of accounts.*

**354.** Should an error or omission in the recorded expenditure of a work come to light after its accounts have been closed (*see* paragraph 85 of the P. W. Department Code), the account may be reopened in order to rectify the error or omission unless the amount involved is not more than ten rupees in which case it will be sufficient to make a note of the error or omission in the relevant documents concerned.

#### G. CONTRACTORS' LEDGER.

##### I. *Form and use of the ledger.*

**355.** The accounts relating to contracts should be kept in the contractors' ledger P. W. A. form No. 42, a separate folio or set of folios being reserved for all the transactions with each contractor for whom a personal account is maintained, *vide* paragraph 356.

**356.** Except in the following case, a personal account should be opened in the ledger for every contractor whether or not a formal contract has been entered into with him.

If the work or supply entrusted to him is not important and no payment is made to him except on a first and final bill, form No. 23 on completion. If any materials are issued to the contractor or any payments made on his behalf, a ledger account must be opened.

NOTE.—No personal ledger accounts need, however, be maintained in the case of payments made to petty labour contractors engaged in the P. W. Workshops.

## II. *Posting the Ledger.*

**357.** The contractors' ledger should be written up in the division office. It is not necessary for the sub divisional officer to maintain a similar ledger in his office, but if he maintains one the Divisional Officer may not require him to furnish extracts therefrom.

**NOTE.**—As the Sub-Divisional Officers are responsible for the clearance from works accounts of all outstandings against contractors, vide paragraph 181 (b), a list of balances due to and from piece workers and contractors should therefore be maintained by them, and this may preferably be done in the same form as the contractors' ledger.

**358.** Except when a contractor's account is to be closed and the procedure prescribed in paragraph 336 is observed in respect of unpaid bills, the value of work done or supplies made by a contractor should not be credited to his account until his bill has been passed and payment made thereon. Debit entries in the ledger should be made only on the basis of transactions recorded in the accounts, the postings being made from the supporting cash, stock or adjustment vouchers; liabilities not yet liquidated should be excluded altogether. The value of materials, if any, issued to a contractor under paragraph 302 or 303 should be debited to his account on the authority of his acknowledgment, *see* paragraph 306.

Security deposits of contractors should not be included in their personal accounts in the ledger, *vide* paragraph 417.

**359.** (a) The form of the ledger provides for the following columns:—

### *Particulars of bill or voucher.*

1. Date
2. Voucher number
3. Serial number, if a running account bill.

### *Net transactions detailed by suspense heads.*

4. Secured advances
5. Other transactions
6. Name of work or account and particulars of transactions.

### *Gross transactions.*

7. Debits
8. Credits
9. Total value of work or supplies.
10. Remarks.

(b) Columns 7 and 8 constitute the ledger account proper and columns 4 and 5 set forth the net effect of each posting on the two suspense heads making up the account. Column 9 is also not a part of the personal account but will be found useful for the purpose of exercising a check over the continuity of bills in the case of running accounts.

(c) Columns 1 to 3 and 9 require no explanation. Instructions for filling in columns 4 to 8 in the case of personal accounts are given below :—

(i) Column 6—Name of work etc. Here should be entered the full name of the work to which the bill or voucher relates except in the case of suppliers' bills when the name of the account concerned, stock or purchases, should be stated. Brief particulars describing the nature of the transaction should then be added, and against the line should then be posted, in the money columns 4, 5, 7 and 8, the figures relating to the transaction only. When a deduction made from a contractor's bill for one work is creditable to the account of another work, and such credit is in connection with his contract for the latter work, two distinct sets of entries should be made in the ledger one for the payment made on account of the former work and the other for the recovery creditable to the latter, as if that recovery had been made in cash. The second set of entries should be posted in a separate line, in columns 5 and 8 against the name of the work concerned.

NOTE.—If there are several contracts in connection with a work or accounts the transactions relating to each should be distinguished preferably by quoting the number and date of agreement or work order.

(ii) Column 5—Other transactions. In the case of running account bills, figure G of the memorandum of payments should be posted in this column. If a payment is made on a first and final bill, P. W. A. form 23, no entry should be made in this column unless a recovery is made from the contractor on any account. In the case of transactions other than these, the amount paid or recovered should be entered.

(iii) In columns 4 and 5, debits to contractors should be posted as plus entries and credits as minus entries.

(iv) Column 7—Gross transactions—debit. If it is a running account bill, figure H of the memorandum of payments should be posted in this column, otherwise the total amount paid or chargeable.

(v) Column 8—Gross transactions—credits. Here should be entered the value of work or supplies creditable to the contractor which will be figure F in the case of running account bills,

(vi) Column 9—Total value of work or supplies. In the case of running account bills, here should be entered the total value of work done or supplies made up to date as per figure A of account 1 of bill but before posting the bill it should be seen that the figure shown in account 1 of it as "Deduct value of work shown on previous bill" agrees with the last entry in column 9 of the ledger against the work concerned. In token of this check, this last entry in column 9 should be initialled (and dated) by the Divisional Accountant.

### III. BALANCING AND RECONCILIATION.

**360.** The ledger accounts should be closed and balanced monthly. The closing balance of each personal account should be detailed so as to show, in respect of each separate work or account (stock or purchases), the amount outstanding if any under each of the suspense accounts (i) secured advances and (ii) other transactions with a quotation in each case of the last running account bill and of all the vouchers supporting unadjusted outstandings under other transactions not incorporated in the last running account bill. In the case of running account bills, those balances can easily be ascertained from the memorandum of payments of the bill or bills referred to and it will be found convenient in practice to make a note of the outstanding balance of each bill in the ledger when posting the bill, so that at the end of the month the closing balance of the ledger account may be verified with the net result of the details already recorded.

**361.** The Divisional Accountant should be held responsible for the correctness of the contractors' ledger and for securing agreements month by month between the balances detailed in the works abstract and the corresponding balances of the accounts in the ledger. He should further see that there is no indication of a transaction pertaining to a running account having been settled on a form of bill not permitted to be used for the purpose.

**362.** (a) Periodically all the personal accounts in the ledger should be examined to see

(i) that the balances do not remain outstanding for a long time without justification, and

(ii) that in the case of running accounts, bills are prepared at reasonable intervals.

(b) Entries in column 9, total value of works or supplies, not bearing the initials of the Divisional Accountant recorded under paragraph 359 c. vi should be reviewed in particular to ascer-

tain the cause of delay if any in the preparation of final bills. This examination must invariably be made before a volume of the ledger is laid aside on completion so as to ensure that all outstanding accounts in it are carried forward to a new volume.

#### IV. SCRUTINY OF ACCOUNTS BY CONTRACTORS.

363. A contractor requiring a copy of his running account bill or an extract from his accounts in the contractors' ledger should be furnished with the same. He should be encouraged to look into his accounts in the ledgers and sign it in token of his acceptance of it.

#### H. SUNDRY RULES.

##### 1. Carriage and Incidental Charges.

364. (a) The cost of carriage of stock materials to site of works and all carriage charges in connection with the movement from place to place of other materials issued to or provided for a work specially should be charged direct to the account of the work, the exact classification of charge being as indicated below :

Nature of issue of materials.	Head chargeable in the account of work.
<p>I. Issues to contractors under paragraph 302</p> <p>(a) To the promised place of delivery.</p> <p>(b) Beyond the place of delivery if incurred.</p> <p>II. Issues to contractors under paragraph 303,</p> <p>III. Issues direct to works.</p>	<p>'Final charges in the case of minor estimates and additional charges for materials issued to contractors' in the case of major estimates.</p> <p>The personal account of the contractor under the suspense head 'contractors—other transactions.'</p> <p>do. do.</p> <p>The sub-head to which the cost of the materials is charged.</p>

(b) When surplus materials are returned from a work to stock, the cost of carriage should be borne by the work, but if they are transferred to another work, the charge may be debited to either work as may be equitable.

(c) Incidental charges connected with the movement of materials issued to or provided specially for a work or return therefrom should be adjusted in the same way as the cost of carriage.

(d) In all cases, the places from and to which conveyed, the distance, the quantity and the approximate weight must be clearly stated in the payment vouchers.

## II. CHARGES FOR THE EXAMINATION OF SOIL.

**365.** The expense attendant upon the necessary examination of the soil for the foundation of works ordered by competent authority should be treated as outlay on works and not as the contingent charge, provision for it being made under the service head concerned in a requisition or estimate according to the sum involved.

**366.** Municipal and other taxes on public buildings residential or non-residential, when chargeable to the Public works Department as the department in administrative control of the building should be treated as expenditure on repairs and debited to the maintenance estimates of the buildings concerned.

When the P. W. D. entrusts to the agency of the Local Board the maintenance of Government buildings or roads, without transferring the property to the Local Body, the payment made to it on this account should be treated as a payment for work done by a contractor. If lump sum payment has been agreed upon, the procedure for settling the account periodically, and for recording the cost of the work, may be simplified, with the concurrence of the Accountant General, provided :

(a) that a certificate that the work has been done in accordance with the conditions agreed upon is placed on the records by the Executive Engineer or a sub-divisional officer deputed by him for the purpose.

(b) that if the payment is made for a number of works, expenditure on all of which cannot be classified in the accounts under a single head of account, the necessary detailed classification of the charge is set forth, and

(c) that, as far as possible, the liability of a year is settled within that year.

## III. SCOPE OF SANCTION.

**367.** The authority granted by a sanction to an estimate is strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, it is not permissible to apply, without the sanction of the competent authority, any anticipated or actual savings, whether due to the abandonment of a part of work or to any other cause, on a sanctioned estimate of a definite project to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.

**368 a.** Annual contributions recovered from local bodies or private parties which have been fixed as a specific sum without reference to the amount actually spent by Government on certain works.

e. g., maintenance of roads, bridges, hospitals. &c., taken over under Government control, or Government irrigation works, etc., should be credited finally in the accounts to the appropriate head of revenue vide statement A of Appendix I. The actual expenditure on the works will be charged in the P. W. accounts in the same manner as on other Government works.

Note.—The Accountant General will maintain a list of contributions recoverable annually and will watch the recoveries in audit through the register of special recoveries.

(b) In the case of contributions which are not fixed once for all as a specific sum but which are fixed on each occasion either with reference to the total cost of the work or otherwise as in the case of tank restoration scheme works, the contributions should be credited to public works deposits and the outlay incurred should be charged against it in the first instance. After the deposit has been exhausted, any further outlay should be charged to Government under the relevant head of account, and any adjustment which may become necessary on the basis of the agreed share of cost in the case of tank restoration scheme works should be carried out just before the accounts of the works are closed.

---



---

CHAPTER X.

## Manufacture Accounts.

*A. Introductory.*

**369.** When materials are manufactured departmentally, either for the general requirements of works or for a particular work, a separate account, called a manufacture account must be kept of the transactions connected with each manufacture.

**370.** The detailed accounts of the expenditure on a manufacture are maintained in the same way as the accounts of a work and in addition, an account is kept of the quantities and values of the products of the manufacture. The two sections of the accounts are known respectively, as the 'operation' and the "out-turn" accounts.

**371.** The ordinary forms of the registers of works are unsuitable for recording the progress of the transactions of a manufacture. P. W. A. form No. 41—Register of Manufacture, should be used instead.

**372.** It is essential that the accounts of a manufacture shall not remain open indefinitely. If the operations are seasonal, the accounts of each season should be kept separate and closed as soon as the operations are closed. In cases in which operations are continuous, the accounts must nevertheless be closed periodically, but at least once a year,

*B. Operation charges.*

**373.** A manufacture account is charged directly with (1) the value of raw materials issued from stock or obtained otherwise ; (2) the cost of the labour employed ; and (3) other incidental charges connected with the operations.

**374.** The following rules apply to certain special incidental charges :—

(a) Capital charges, such as the cost of land, kilns, special plant, etc., incurred in connection with a manufacture which does not extend beyond a single season are debited wholly to the account of the manufacture.

(b) Capital charges in connection with a manufacture extending over more than one season should be debited, in the first instance, to a special account under the sub head 'land, kilns, etc.,' of the stock account. This account should also be charged with the cost of repairs and renewals of the kilns etc. All these charges should be recovered in suitable instalments by debit to the 'operation' accounts of the several seasons, the number of instalments and

the amount chargeable for each season being determined on the merits of each case.

NOTE 1.—The decision as to the suitable instalments whereby the 'land, kilns etc.' account is to be cleared periodically, as given by the authority sanctioning the initial charge should be recorded in the register of stock and not deviated from without the further orders of that authority.

NOTE 2 — When the land, kilns, plant etc., acquired for departmental manufacture operations are leased to a contractor of the division or other person, the rent charged should be credited to this special account and not to revenue.

(c) If the manufacture is undertaken on behalf of other divisions or departments, or of local bodies or individuals, a charge should be made on account of establishments and tools and plant, if leviable under the rules, vide, appendix II, for the outlay on works undertaken on their behalf.

(d) Save as provided in clause (c) above, no charge is permissible on account of the general establishment and ordinary tools and plant charges, or on account of interest on the capital cost of the land, kilns, plant etc., though all these charges should be included in any pro-forma accounts of the manufacture operations of the division, which may be prepared under the orders of Government, with a view to compare the cost of articles manufactured departmentally with the rates charged by suppliers.

**375.** The accounts of road metal digging are not treated as manufacture accounts, but the charges connected with land quarries acquired for such operations should be dealt with in accordance with paragraph 224.

### *C. Value of out-turn.*

**376.** A manufacture account is credited with the value of the manufactured articles and of the surplus materials sold or otherwise disposed of (paragraph 312.)

**377.** The out-turn account referred to in paragraph 370 should show, month by month, the quantities and value of each class of articles manufactured, compared with the corresponding figures shown in the estimate (if any). The detailed account for each month should be prepared in form No. 33, out-turn statement of manufacture, and should be attached to the works abstract for the operation.

**378.** The rates for valuing manufactured articles should be fixed as to represent, as accurately as possible, the actual cost of manufacture per unit, but should not exceed the market rates.

---

*D. General Account.*

**379.** A manufacture account is essentially a suspense account, as the cost of the operations cannot be cleared finally until they are closed. Manufacture transactions are, therefore, recorded under a distinct sub head, called 'manufacture' of the stock suspense account.

**380.** In the stock accounts, the manufacture transactions should be recorded thus :

(a) 'Operation' charges should be shown as receipts of stock under the sub-head 'Manufacture', charges representing value of stock materials issued to manufacture being simultaneously treated as issues of stock under the sub-heads concerned.

(b) All out-turn should first be brought formally on the stock account, by crediting its value to 'manufacture' and simultaneously showing the articles as receipts of stock under the sub-heads concerned.

(1) If the rate at which any article of out-turn, manufactured for a particular work, is valued, is different from the issue rate of a similar article already in stock, the two articles should appear as distinct items in the stock accounts.

(2) No storage charge is leviable in respect of materials manufactured on behalf of other divisions, departments, local bodies and individuals which are formally passed through the stock accounts under this paragraph. See also paragraph 374 (c)

**381.** The difference between the 'operation' and 'out-turn' should be adjusted under the orders of competent authority before the accounts of manufacture are closed. If the orders issued have the effect of enhancing or lowering the value of the out-turn already brought to account, the adjustment will be made by a suitable entry (without any fresh quantities) in the out-turn statement form No. 33; in other cases, the loss or gain, as the case may be, should be taken to the expenditure or revenue head concerned by a regular transfer entry, which will affect the 'operation' account only. In all cases, the total 'operation' and 'out-turn' should equal each other on closing the manufacture account. See also paragraph 182.

## CHAPTER XI.

## Suspense Accounts.

## A. INTRODUCTORY.

**382.** The account of the minor head 'suspense' sub-divided into as many of the four heads named below as may be required is kept in each division.

1. Purchases
2. Stock
3. Miscellaneous P. W. Advances
4. Workshop suspense.

These heads are of a temporary character and all transactions recorded under them are ultimately removed either by payment or recovery, in cash, or by adjustment. The transactions, therefore consist both of debits and credits, the latter being treated as reduction of expenditure when making up the account.

*B. Purchases.*

**383.** When materials are received from a supplier or from another division or department, their value should be credited to purchases—

(i) immediately on their receipt, if they have been received for a specific work, so that per contra the cost may be included at once in the accounts of the work and those accounts, as well as the connected subsidiary accounts, may take cognisance of the receipt of materials at the earliest opportunity, *vide* paras 300 and 306 ;

(ii) on closing the accounts of the month, if they have been received for stock and payment has not been made for them during the month so as to secure agreement between the quantity and value accounts, *vide* paragraph 172.

**384.** When the actual value of the materials is not known, it will suffice if an estimated figure is adopted, any difference being adjusted as soon as known, by a plus or a minus credit to purchases, as the case may be. See also rule 1 to paragraph 385.

**385.** When the price of materials is paid or adjusted in transfer, the payment should be debited to purchases, and the outstanding credit thus cleared.

(1) If the amount admitted in payment exceeds the amount credited to purchases, the difference should be charged direct to stock or to the work concerned.

**386.** Unclaimed balances in the purchases account should be dealt with in accordance with the procedure prescribed for deposit balances in paragraph 427. Paragraph 428 regarding the repayment of lapsed deposits applies *mutatis mutandis* to repayment of lapsed balances of purchases.

**387.** The account of this head should be kept in P. W. A. form 61 suspense register, the details being recorded in a separate set of folios for each of the two headings (i) purchases for stock and (ii) purchases for specific works.

#### C. STOCK.

**388.** The head 'stock' is opened in all divisions in which stocks of materials are maintained for general purposes, *vide* paragraph 494 of the P. W. Department Code. In divisions in which no stocks are maintained this account should be opened only when any manufacture operations are undertaken.

**389.** The money limit for the stock reserve of a division prescribed by the Government *vide* paragraph 494 of the P. W. Department Code, is meant to be applied to the value of materials acquired or manufactured for stock purposes only. Excesses over this limit are, therefore, permissible only when caused by unadjusted expenditure on manufacture operations connected with specific sanctioned works.

**390.** The account 'head 'stock' is charged with all expenditure connected with the acquisition of stock materials and with all manufacture operations and with the expenditure incurred on storage. It is credited with the value of materials issued to works, or sold, transferred or otherwise disposed of, and the balance of the account represents the book value of the materials in stock plus the unadjusted charges etc., connected with manufacture plus the unexpended expenditure on storage.

**391.** The sub-heads of the 'stock accounts' are :—

1. Small stores
2. Building materials
3. Timber
4. Metals
5. Fuel
6. Painters stores
7. House fittings
8. Miscellaneous stores etc.
9. Land kilns etc.
10. Manufacture, and
11. Storage.

**392.** (a) The general account of the receipts, issues and balances of the suspense head 'stock' should be maintained in the suspense register, P. W. A. form No. 61. A separate account should be kept in respect of each sub head, the transactions of the several sub divisions being detailed therein as separate items and the totals of all sub-divisions as another. Transfers within the division should be accounted for against a single item 'deduct—transfers within division' before the total for the entire head 'stock' is struck.

(1) The clearance of balances under 'transfers within division' should receive special attention.

(b) The subsidiary accounts of stock are described in chapters VI and X.

**393.** The balance under the sub head 'storage' should be finally adjusted, *vide* para 195, on closing the accounts of the year as a 'surplus' or 'deficit' *i. e.*, as a profit or loss on stock according as it is a plus or minus balance and should not be carried forward to the following year.

#### D. MISCELLANEOUS P. W. ADVANCES.

**394.** Transactions recorded under the head 'miscellaneous P. W. advances' are divided into four classes:—

- (i) Sales on credit.
- (ii) Expenditure incurred on deposit works in excess of deposits received.
- (iii) Losses, retrenchments, errors, etc.
- (iv) Other items.

Note:—Personal advances drawn from the Treasury and audit retrenchments made from bills cashed direct at the Treasury do not appear in the accounts of division offices. Advances made to contractors appear in the accounts of works.

**395.** When stores of any kind are sold on credit, their value (plus, if recoverable, the supervision charges referred to in paragraph 506, Chapter IV of the P. W. Department Code) should be debited to Miscellaneous P. W. Advances under the sub head 'Sales on credit', so that (1) the accounts of stock or works from which materials are issued may be kept correct, and (2) the recovery of the value from the local body or individual concerned may be watched through the regular accounts.

Note :—In each case there must be authority for the sale on credit.

**396.** Outlay on deposit works is required to be limited to the amounts of deposits received. Any expenditure incurred on deposit works in excess of the amount deposited (*vide* para 433) is chargeable to Miscellaneous P. W. Advances pending recovery to effect which action should at once be taken. See paragraph 401.

**397.** Under the heading 'losses', retrenchments, errors, etc., appear the following :—

- (a) Deficiencies in cash or stock.
- (b) Actual losses of cash or stock.
- (c) Errors in accounts awaiting adjustments.
- (d) Retrenchments and losses of other kinds recoverable from Government servants.

**398.** The head 'other items' is meant for all debits, the allocation of which is not known or which cannot be adjusted until recovery or settlement is effected or write off ordered.

The following may be cited as examples :

1. Debits, the classification of which cannot at once be determined,
2. Recoverable debits not pertaining to the accounts of a work, and
3. Recoverable outstandings pertaining to works, the accounts of which are closed (*vide* rule 1 to paragraph 336 and paragraph 350.)

**399.** No charge may be debited to Miscellaneous P. W. Advances on the ground of absence or insufficiency of sanction or appropriation except as provided in paragraph 396.

NOTE. The share of Municipal taxes paid by Government on behalf of tenants of Government buildings should be debited to the head pending recovery.

**400.** Items in the 'Miscellaneous P. W. Advances' account are cleared either by actual recovery or by transfer, under proper sanction or authority, to some other head of account. Items of balances which may become irrecoverable should not be so transferred until ordered to be written off.

**401.** The detailed accounts of this head should be kept in form No. 61 suspense register.

For items falling under the class 'expenditure incurred on deposit works in excess of deposits received' details are not necessary, as these are recorded in the schedule of deposit works, form No. 60.

For each of the other three classes of items, a separate set of folios should be reserved, and all the items under each class should be detailed so that their clearances may be watched individually. An abstract should be prepared to show the totals of all the classes.

#### E. WORKSHOP—SUSPENSE.

**402.** When a workshop has been established, the accounts of which are kept in accordance with the rules in chapter XII, all direct outlay on the jobs executed and on other operations of the

workshop is passed through the suspense head—workshop suspense and a separate account is kept under it of each job or operation, so that all charges relating to each may be collected and charges of a general nature may be suitably distributed over all the jobs or operations affected, before the total cost recoverable is determined.

**403.** The recorded expenditure on a job is removed from the suspense account only when, and to the extent, an adjustment is effected against the deposit received or against the service or other head concerned, vide paragraph 412. This removal is effected by a credit to the account of the job. But when any charges are transferred from one job or operation to another, the transfer should be made by plus and minus debit entries.

**404.** On the completion of a job all outstanding charges on it must be debited, as soon as possible, to the head concerned, but in cases where this cannot be done, as in the case of expenditure incurred in excess of deposit received, the unadjusted amount should be transferred to the head 'Miscellaneous P. W. Advances' pending settlement.

**405.** The detailed account of this head should be kept in a suitable form prescribed in accordance with the rules in chapter XII, the object being to maintain an account showing the cost of each job or operation and its adjustment from time to time.

---



## CHAPTER XII

## Workshop Accounts.

## A. INTRODUCTORY.

**406.** The P. W. Workshop at Trivandrum exists as a distinct division, the objects in running which are detailed in paragraph 527 of the Public Works Department Code. The rules in this chapter are only of general applicability to a workshop and should be supplemented by special rules in the case of P. W. Workshop, Trivandrum.

**407.** For every job there must be an estimate of cost (providing for all charges including the prescribed percentage for indirect charges, vide paragraph 413) sanctioned by competent authority and accepted by the indenting officer, local body or individual. The amount to be realised from the indenting party will, however, be based on the actual cost, though the authorised limit of cost, which the officer in charge of the workshop may incur without further authority is that shown in the accepted estimate.

NOTE. If the execution of a job for another division or department is likely to extend beyond one financial year, the limit of the cost which may be incurred in each official year should also be settled beforehand.

## B. DIRECT AND INDIRECT CHARGES.

**408.** Charges on jobs. The total charges on a job (*i. e.* the cost of it) divide themselves into

(i) direct charges *i. e.* charges for liabilities incurred on account of the job,

(ii) indirect charges *i. e.* charges which are levied at a percentage to cover the cost of establishment and tools and plant employed on the job and other items such as, interest on capital cost of buildings, plant and machinery, depreciation of buildings, plant and machinery and maintenance charges of the same.

**409.** Receipt and expenditure transactions in connection with workshops are brought to account as follows :—

(a) Where capital accounts are kept of a workshop intended mainly for the needs of the Public Works Department, all expenditure incurred upon it, whether of the nature of capital or of working expenses, should be recorded under the major head “36 Buildings.” Recoveries of capital expenditure will be taken in reduction of such expenditure; revenue receipt will be booked under the minor head “XXVII Workshops Receipts” which may be sub-divided so as to meet the requirements of the pro-forma accounts of the shop.

(b) Where no capital accounts are kept of a workshop intended mainly for the public works department, all expenditure should be booked under the head "36 buildings etc." and all receipts, whether "recoveries of expenditure" or "revenue receipts" under the detailed head "XXVII Fines, refunds and miscellaneous."

**410.** All capital charges on buildings, plant and machinery and stock materials, and all revenue charges incurred on their maintenance and on the up-keep of the necessary general establishment should be accounted for as ordinary public works transactions under the major head "36 buildings etc." in accordance with the preceding article and under the general rules of other chapters of this Code. There are charges which neither pertain to any individual job executed in the shops, nor are capable of direct apportionment amongst all the jobs, and are therefore, met out of the grants of the department, the distribution of such charges over individual jobs being made in accordance with the rule in paragraph 413.

**411.** All other expenses connected with the operations of a workshop are chargeable to the jobs concerned, and should, therefore be accounted for under the suspense head Workshops suspense (vide paragraphs 402—405). The charges pertaining exclusively to any job should be debited to it at once, and those of a general nature should be treated in the first instance as general charges (under one or more suitable headings) and apportioned subsequently amongst the jobs concerned in accordance with a definite procedure.

(i) This paragraph does not apply to incidental charges connected with the stock of materials which should be dealt with under paragraphs 183 and 410.

(2) All liabilities should be taken into account, even though undisbursed, so that the general charges may be correctly allocated month by month, and the recorded expenditure on each job may represent, as far as possible, the actual cost up-to-date.

**412.** In the case of jobs of all classes, the cost of operations should be charged off or adjusted on transfer (paragraph 403) as the case may be, month by month, but in the following cases the accounts of a job may be settled once a year in Karkatagom, or in an earlier month if the job is completed earlier (vide paragraph 404.)

(a) When the total cost during the year is not larger than Rs. 100 or any other limit that may be fixed in consultation with the Accountant General.

(b) When the monthly settlement of account is inconvenient to the indenting division or department.

1. When the estimated cost of a job is recovered in advance, it should be kept in deposit in the first instance, and the adjustment of actual cost made under this paragraph should be effected against the deposit, the unexpended balance being refunded only when the job is completed and the account of it settled.

**413.** In addition to the direct charges referred to in paragraph 411, the account of each job should be debited not through the workshop suspense account but directly under the head of account concerned, with suitable percentage, to cover the indirect charges enumerated below :—

(a) Supervision charges under paragraph 506 of the Public Works Department Code.

(b) Interest on the capital cost of buildings, plant and machinery.

(c) Maintenance charges of buildings, plant and machinery.

(d) Depreciation of plant, buildings, and machinery.

(e) Establishment charges (including 1 per cent on account of audit and account establishment) see rule 10 (1) of Appendix II, see also paragraph 410.

The percentage for supervision charges should be calculated on the value of materials issued on each job. The other charges are ordinarily calculated on the total cost of labour and stores pertaining to the job. It is usual to charge a further percentage on account of profit except in the case of jobs executed for other divisions.

1. The percentage realised on account of establishment charges is treated as reduction of expenditure in accordance with the rules in Appendix II.

2. All other percentages are treated as revenue receipts.

**414.** The indirect charges referred to in paragraph 413 should be brought to account whenever the settlement of the account of direct charges is effected under paragraph 413.

### C. ANNUAL ACCOUNT AND REVIEW.

**415.** Annually, pro-forma accounts of each workshop should be prepared consisting of ;

(i) the capital account, showing the value (after making due allowance for depreciation) of the buildings, machinery, and plant, and stock, and the outstanding balance of the workshop suspense account,

(ii) the out-turn account showing in such detail as may be necessary, the charges on labour and stores, and the general and indirect charges ; and

(iii) the profit and loss account, showing on the one side the actual working liabilities of the year, *e. g.*

(a) interest calculated on the mean capital of the year under all the heads named in (i) above,

(b) the actual maintenance charges of buildings and machinery and plant,

(c) depreciation of buildings, machinery and plant calculated on the capital value, thereof and

(d) general establishment charges plus

1. a suitable addition thereto on account of leave and pensionary charges; and

2. one percent for audit and accounts establishment only on such jobs in respect of which this percentage is not credited to the major head "19 General Administration—E Accountant General's Office" in the regular accounts (vide rule 2 to paragraph 10 of Appendix II) and on the other side the percentage charges made under paragraph 413 excluding the 1 per cent for audit accounts establishment credited to "19 General Administration—E Accountant General's Office" under rule 1 to paragraph 10 of Appendix II.

NOTE. The stock account should be treated as part of the workshop account only if and to the extent the reserve stock is declared by Government to be part and parcel of the shops. When the whole or part of a stock is merely an adjunct to a workshop neither the interest charges on it nor the losses or gains (including supervision charges) arising out of it should appear in the Profit and Loss Accounts of the Workshop.

**416.** The Accountant General should review the annual accounts of the workshop in consultation with the Superintendent in charge of workshop and submit a report to Government on its financial working specially bringing out the necessity or otherwise of revising the percentages fixed by the Government for the several percentages in regard to the indirect charges.

To facilitate the review of the percentages it will be found convenient to show in the Profit and Loss Account, not only the figures of the year but also the progressive figures to the close of the year, commencing from a suitable date.

## CHAPTER XIII.

## Deposits.

## A. INTRODUCTORY.

**417.** Deposit transactions of the P. W. D. are of two kinds :—

(1) Public Works deposits, which pass through the regular accounts of the division,

(2) Interest bearing securities.

Deposits of the first kind comprise transactions of the following classes; which are passed through the account head 'Public Works Deposits'.

(a) Cash deposits of subordinates as security,

(b) Cash deposits of contractors as security,

(c) Deposits for works to be done,

(d) Sums due to contractors on closed accounts,

(e) Miscellaneous deposits.

The interest bearing securities referred to in class 2 are deposited by subordinates and contractors. These do not pass through the regular accounts of the division.

**NOTE.**—Sums less than one rupee due for refund of revenue or repayments of deposits should be credited to revenue.

## B. SECURITY DEPOSITS.

**418.** Security deposits of subordinates and contractors whether made in cash or in one of the forms of security referred to in paragraph 419 are covered by a bond or agreement setting forth the conditions under which the security is held and may be ultimately refunded or appropriated. Reference to such bond or agreement should be recorded in the deposit register or the register of securities, as the case may be.

**419.** The recognised forms of interest bearing securities, and the rules to which they are subject, are indicated below :—

1. Government Savings Bank deposits, Chapter XXI of Financial and Account Code Part I.
2. Government Promissory Notes, Chapter XX Do.
3. Government of India Securities (other than non-terminable securities). The Government of India Security Manual issued by the Controller of currency,

4. Deposits in recognised Banks. The depositor should be required to get the receipts made out in the name of the pledgee. If the deposit is for more than 6 months, the receipt should be forwarded to the Accountant-General for custody; otherwise they should be retained by the Divisional officer. The depositor should receive the interest, when due, direct from the bank, on a letter from the pledgee authorising the bank to pay it.

NOTE. In the case of Government Pro-notes, they may be accepted at their face value or market price whichever is less. The reduction of 5 per cent. is not necessary.

420. Security deposits lodged in the Government Savings Bank should be pledged to the Divisional Officer, vide Article 821 (f) of the Travancore Financial and Account Code. The pass books and other securities should remain in the custody of the Divisional Officer.

All the pass books should be sent to the Anchal Office or Treasury, as the case may be, as soon as possible after the last day of Vrischigom each year in order that the necessary entries on account of interest may be made in them.

421. Cash deposits of subordinates and contractors may be converted, at the cost of the depositor, into one or more of the forms of interest bearing securities, provided—

(i) that the depositor has expressly desired this in writing, and

(ii) that the acceptance of the new form of security is permissible under the rules as well as under the terms of the agreement or bond.

1. Cash which has actually been received or recovered may be converted even though the full amount of the deposit, which is being paid in instalments, has not yet been realised.

NOTE. Percentage deductions from a contractor's bills for the due fulfilment of a contract should not be invested in Government Securities as the forms of contracts do not provide for the payment of interest to contractors on these sums.

422. Percentage deductions on account of security, made from contractor's bills, should also be credited to the head Public Works deposits.

423. Without the special orders of competent authority, no security deposit should be repaid or transferred to the depositor, or otherwise disposed of except in accordance with the terms of his agreement or bond, vide also Article 821 of the Travancore Financial and Account Code.

(1) The depositor's acknowledgment should be obtained in all cases of security returned. When an interest bearing security

is returned or retransferred, the acknowledgment should set forth the full particulars of the security.

NOTE. The percentage deductions from bills which are held as security should not be refunded till the final bill is prepared and passed.

### C. OTHER DEPOSITS.

#### I. *For Works.*

**424.** Deposits for works are passed through the head 'Public Works Deposits'. Such works are known as deposit works and the detailed rules relating to them are given in Chapter XIV.

#### II. *Contractors' Closed Accounts.*

**425.** Under the rules in paragraph 336, sums due to contractors on closed accounts may be placed in the deposit account. When a sum so held in deposit is ultimately paid to the contractor concerned, his acknowledgment should set forth such particulars as would establish the settlement of his account in connection with the work concerned.

#### III. *Miscellaneous.*

**426.** All other deposits are classed as Miscellaneous deposits. This head also holds, until clearance, all items of receipt the classification of which cannot at once be determined, or which represent errors in accounting awaiting adjustment.

### D. LAPSED AND CONFISCATED DEPOSITS.

**427.** In the accounts of Karkatagom each year, the following classes of items in the Public Works Deposit Account should be credited to Government as lapsed deposits.

1. Original deposits not exceeding five rupees remaining outstanding for one whole account year,
2. Balances not exceeding five rupees of items partly cleared during the year then closing,
3. Balances unclaimed for more than three complete account years.

(i) For the purpose of this rule, the age of a repayable item or of a balance of it, is to be reckoned as dating from the time when the item or balance, as the case may be, became first repayable. See also Note 1 to Article 678 of the Travancore Financial and Account Code.

**428.** Deposits credited to Government under paragraph 427 or confiscated under the provisions of an agreement or bond cannot be repaid without pre-audit by the Accountant General who will authorise payment on ascertaining—

- (i) that the item was really received,
- (ii) that it was credited to Government as lapsed or confiscated, and

- (iii) that the claimant's identity and title to the money are certified by the Divisional Officer.

The amount repaid should be treated as a refund of receipts under the major head to which it was credited and the repayments should be noted in the deposit register against the entry for its credit to Government, *vide* paragraph 251.

## **E. ACCOUNT OF PUBLIC WORKS DEPOSITS.**

### *I. Deposit Register.*

**429.** A record of the transactions relating to Public Works Deposits should be maintained in the Division Office in a register in the same form as the suspense register P. W. A. form No. 61. This deposit register should show, month by month, the total receipts and adjustments, the closing balance of each separate deposit item ; but in respect of deposits for works to be done which are accounted for in detail in the schedule of deposit works, form No. 60, a single entry for all such deposits will suffice.

### *II. Schedule of Deposits.*

**430.** From the deposit register, a monthly extract known as the schedule of deposits, P. W. A. form No. 70, and showing for each item the opening balance, the receipts and adjustments of the month, and the closing balance, should be prepared for submission to the Accountant General. The entry for deposits for work to be done will be supported by the schedule of deposit works.

In the case of divisions where the total number of outstanding items under Public Works Deposits is usually very large but the number of items affected by the monthly transactions is small, the Accountant-General may authorise the preparation of the schedule of deposits in the alternative form No. 71.

This form is in two parts—Part I, abstract account, giving the totals for each class of deposits, and Part II, detailed extract from the deposit registers. In Part II, only such items need be extracted from the deposit register, as are affected by the month's transactions, but in the schedules for the months of Thulam, Makaram Medom and Karkatagom all current items should be shown, including those not affected by the month's transactions.

## **F. ACCOUNTS OF INTEREST BEARING SECURITIES.**

**431.** Transactions connected with interest bearing securities do not pass through the regular accounts of the division, unless any cash actually passes through the hands of officers of the department, which should be avoided as far as possible. A register of the



receipt and disposal of these securities should, however, be kept in P. W. A. form No. 77, Register of interest bearing securities, and at the close of the year an account in P. W. A. form No. 78-Account of interest bearing securities, should be prepared from this register for submission to the Accountant General. This account should be supported by (1) the acknowledgments (in original) of the depositors for securities returned or retransferred to them during the year and (2) the certificate of the divisional officer that all securities shown as outstanding in this account, or their acknowledgments by the authorised custodians are in his possession.

1. If a security recovered in instalments is being deposited in the savings bank, no entries should be made in respect of it in the register in P.W.A. form No. 77 until the security has been fully paid up; the annual verification referred to above should be completed in respect of the securities in the course of recovery by taking the recoveries of the period covered by the account from the deposit register verifying them at the same time as shown in the register of recoveries *vide* para 480.

2. If any sirkar savings bank deposits have been pledged to a sub divisional Officer under paragraph 420, the register for such securities should be kept by him and he should sign the annual certificate in respect of them.

3. When a subordinate who has furnished an interest bearing security is transferred to another division or department, the security should be kept in the original division until such period as is specified in the agreement, to cover any amounts that may be subsequently ordered for recovery in respect of the period during which he was under the original Divisional Officer. At the end of the period, the security should be released from the pledgee and passed on to the new Divisional Officer, or a responsible officer of the department to which he is transferred for returning the security to the pledger and sending the acknowledgment to the Divisional Officer concerned. In case the new post of the subordinate is also one in which a security should be furnished, the officer concerned should immediately take the necessary steps to get a formal agreement and to have the securities duly pledged in his own favour. The acknowledgment mentioned above should however be obtained and sent to the first officer. No security need be insisted upon by the second officer until the original is transferred and is duly pledged but he should satisfy himself by a reference to the Division office from which the subordinate was transferred as to the amount of security lodged there, the sufficiency thereof and the likelihood of recoveries that may be made before its transfer. There should be a proviso in all security bonds that the security shall be available as security for any new post to which the officer may be transferred.

## CHAPTER XIV.

## Non-Government Works

## A. INTRODUCTORY

**432.** Non-Government works are divided into two classes :—

- (a) Deposit Works, and
- (b) Other Works such as Kudipathi works.

**433.** If a work for which Government give financial assistance is executed as a deposit work by the P. W. D. on behalf of the local body, Government's contribution should not be paid in cash to the local body or Municipality, but should be adjusted by transfer of credit under 'P. W. Deposits' and debited to the head to which the expenditure on the work is proposed to be debited, irrespective of the object for which the assistance is rendered. The deposit account of the local body which has not withdrawn its balance from the treasury will simultaneously be credited and debited with the amount. Ordinarily in case of—

(a) contribution works which are executed partly from Government funds or grants-in-aid and partly from the funds of local bodies and also in the case of

(b) irrigation contribution works which are financed partly by the Government and partly by private bodies, the Government contribution or an instalment of it will be paid only after the local body has paid out of its own funds a corresponding amount, *e. g.* in the case of a work costing one lakh to which the Government have undertaken to contribute Rs. 75,000 an instalment of Rs. 30,000 may be paid by Government as soon as the local body makes a payment of Rs. 10,000. The bills on which the Government contribution is adjusted in this manner should be countersigned by the Executive Engineer who should see that the rule is observed. If in the case of works of class (a) and (b) it is considered not desirable to suspend the works pending receipt of contribution, Government money may be spent in advance of its turn, but interest shall be charged on the amount so spent for the period it is advanced. In

such cases, demand for payment of the contribution shall ordinarily be made at least a month before the money is required and the date on which it should be paid shall be stated in the demand, and interest will accrue from that date or from such later date on which Government money may be actually advanced. If there are not sufficient Government funds in a year to be utilised on the works pending receipt of the contribution due from the local body or private body concerned, orders of Government shall be obtained for the provision of funds in proper time. In cases where the excesses are comparatively small, appropriation to cover such excesses as are not expected to be cleared before the end of the financial year shall be obtained from Government in Medom of each year under the suspense head 'Miscellaneous-Public Works Advances.'

The rule regarding recovery of interest on Government money spent in advance of its turn may be relaxed in the case of the amount spent in advance of the first instalment payable by a local body for a contribution work which is partly financed by that body by means of a loan. For Government money spent in advance of the second and subsequent instalments, interest shall be charged unless in any case Government decide not to charge interest.

**434.** When works already constructed or land already purchased, are transferred, free of charge, to local bodies under the provisions of paragraph 296 or paragraph 382 of the Department Code, no readjustment of the accounts of cost is necessary.

**435.** For every non-Government work, there must be a duly sanctioned detailed estimate or requisition, as the case may be, in the same way as for a Government work.

#### B. DEPOSIT WORKS.

**436.** When a deposit work is to be carried out, the local body or other party concerned should advance the gross estimated expenditure or the share which is payable by it, to the Divisional Officer in one lump sum, or in instalments and by such dates as may be specially authorised by the Government, *vide* paragraph 346 of the Public Works Department Code. No non-Government work shall be executed before receipt of contribution therefor without the special orders of Government except in cases specified in paragraph 433 of this Code. Where payment in instalments is authorised owing to the difficulty of depositing the full estimate amount in advance in the case of large works, the Divisional Officer should forecast his probable requirements on each such work for the succeeding month and apply to the local bodies concerned for funds and the latter should without delay pay the instalments to the Divisional Officer. The amount received should be credited in the accounts to the head 'Public Works Deposits' against which will

be charged all expenditure incurred up to the amount of the deposit. As regards expenditure in excess of deposit, see paragraph 396.

**NOTE.** 1. If prepared, the local body concerned may be authorised to pay the deposit direct into the treasury. In this case, the accompanying *chalan* should state clearly that the amount is creditable to the Public Works Department, naming the division and the work to which the deposit relates.

**NOTE.** 2. A local body which has a current account with the Government treasury may be authorised to draw a cheque on the treasury in favour of the Executive Engineer and this will be paid at the treasury by transfer credit to the Executive Engineer's account (P. W. Deposits). Similarly for the unspent balances, the Executive Engineer will draw a cheque in favour of the local body by transfer credit to the deposits of local funds.

**NOTE.** 3. In cases where the maintenance of roads on the banks of rivers canals and channels devolves entirely on local bodies, and the works pertaining thereto are executed by the Public Works Department as full contribution works, if the Executive Engineer considers it undesirable to suspend the works pending receipt of contribution from the local bodies, Government money may be spent in advance, interest being charged on the amount so spent. When this course is adopted, the procedure indicated in the last portion of paragraph 433 should be followed.

**437.** A consolidated record of the transactions of a month relating to all deposit works of the division should be prepared in form No. 60, Schedule of Deposit works. This schedule shows in respect of each work the amount of deposit received and the expenditure incurred, both during the month and up-to-date. Refunds of unexpended balances of completed works should be taken in reduction of the deposits, and therefore shown in the schedule as minus realisations and not as expenditure.

**438.** In the case of deposit works to which Government have contributed, no refund should be made to a local or other body from any unexpended balance at the credit of 'deposits' without the sanction of Government. The Executive Engineer should report through the Chief Engineer and the Accountant General the actual cost of the work, the shares to be borne by the local body and by Government, the amount actually contributed by each, and the amount refundable. After verification by the Accountant General, sanction will be accorded to the refund. The Executive Engineer should then refund what is due to the local or other body and credit the unexpended balance of the Government contribution to the department through the remittance head by a minus credit to the head 'Public Works deposits.' The Accountant General will adjust this amount by credit to the service head to which the contribution was originally debited.

*Exception.* In the case of water supply and drainage schemes financed partly by the local bodies and partly by the Government, the materials that remain surplus at the site of the works after their

completion, shall be taken over by the local body concerned. For the purpose of this transaction, the surplus materials shall be valued at 50 % of their book value. Of the amount so arrived at, a share proportionate to the local body's share of the total cost of the work, shall be treated as the local body's share of the credit realised by the sale of the materials and the balance shall be recovered from the local body; the former amount, should by book adjustment be exhibited as a minus credit to 'deposits' in the division accounts representing refund of unspent balance set off against a corresponding minus debit afforded to the same head as reduction of expenditure on the work. The amount actually recovered from the local body on account of the surplus materials should be credited in full to the Government share of the expenditure in the division accounts supported by a sale account in the proper form. The report or statement to be furnished to the Audit Office for verifying the correctness of the refund of the unspent balance should contain brief particulars of the adjustment of the value of the surplus materials to facilitate check in the audit office.

439. The amount of each deposit should be rateably divided into 2 parts, one representing the share available for works expenditure and the other the total amount chargeable as establishment, tools and plant and audit and accounts charges, if any, recoverable under the rules vide appendix II.

In the schedule, the deposit received for each work should be numbered as a single item, but the transactions relating to the two parts of it should be shown separately thus:—

For works expenditure.....

For percentage charges.....

440. The percentage leviable should be adjusted month by month as the works expenditure is incurred but the Accountant General may authorise the adjustment to be made once a year in the accounts for Karkatagom, provided that if the accounts of a work are closed in an earlier month the adjustment must be made in that month.

### C. OTHER WORKS.

#### I. General

##### *Kudipathi works.*

441. It is not imperative, as in the case of a deposit work, that the estimated cost of a kudipathi work, i. e. a work of restoration or repairs of an irrigation tank or channel, half the cost of which is leviable from the ryot under the provisions of the Irrigation Act, shall be deposited by the person or persons interested in the work, before any expenditure is incurred on it, as it is recoverable through the Land Revenue Department in the same way as Land Revenue.

442. Deleted.

## II. ACCOUNTS OF EXPENDITURE.

443. The transactions relating to Kudipathi works should be accounted for like other Irrigation works under "10 Protective Irrigation—Original works" or "annual repairs" as the case may be in the first instance. On completion, the recoverable portion of the cost of such works as per completion report will be transferred to debit of the head "III Deposits and Advances not bearing Interest—Irrigation Advance" by credit to "10 Protective Irrigation—Deduct contribution recovered from ryots."

NOTE.—Kudipathi works should be written up separately in the Schedule of works expenditure—kudipathi works.

444. The accounts of all works of construction or special repairs of kudipathi works should be closed as soon as the work is completed. Ordinary maintenance and repair works should, however, be considered as completed on the last day of Karkatagom, each year, and expenditure thereon incurred subsequently should be accounted for as pertaining to maintenance of the following year, so that the transactions and balance relating to each year may be kept distinct and separate.

445. A list of all completed minor and major irrigation works should be submitted in duplicate by the Chief Engineer annually to Government in form A, P. W. A. No. 73. The statement should reach Government on or before the 10th Thulam of the year following.

In the case of minor works in progress a statement in form B, P. W. A. No. 73 of all minor irrigation works carried out by the Department should be submitted to Government annually so as to reach them on or before Chingom 10th following *vide* D. Dis. No. 1043/24/ Revenue dated 17-7-1924.

## III. RECOVERY THROUGH LAND REVENUE DEPARTMENT.

446. The following procedure is prescribed for effecting recoveries through the Land Revenue Department, on account of the cost of individual kudipathi works, not covered by cash deposits received direct from the cultivators concerned :—

- (a) A certificate (or report) showing
  - (i) the full name of the work,
  - (ii) the name and address of the responsible cultivator or cultivators

- (iii) the authority for undertaking the work,
- (iv) the total expenditure incurred,
- (v) the amount to be contributed by the cultivator or cultivators,
- (vi) the amount (with full particulars) if any, received in cash,

and

- (vii) the net amount still recoverable, should be prepared, in duplicate, by the Divisional Officer on the completion of the work and sent to the Division Peishkar of the division concerned.

(b) On receipt back of the duplicate copy, duly accepted, the amounts accepted should be credited on the authority of it to "10 Protective Irrigation—Deduct contribution recoverable from ryots" by debit to "[I] Deposits and Advances not bearing interest—Irrigation Advance" in the schedule of debits to miscellaneous heads of account P. W. A. form No. 68 as the Land Revenue Department will thereafter be responsible for effecting the necessary recovery.

---

## CHAPTER XV.

## Transactions with other Divisions and Departments.

## A. GENERAL.

**447.** The general rules under which one department of the public service may charge another department, for services rendered or articles supplied to it, are given in article 454 of the Financial and Account Code, and appendix 15 of the same.

(1) Save as provided in rule 2 of 3rd para of appendix 15 to the Financial and Account Code, Volume II all charges connected with the construction and maintenance of buildings etc. will be brought to account as expenditure of the Public Works Department or of the civil department concerned according as the administration of the work rests with the Public Works Department or is transferred by competent authority from the Public Works Department to the department using or requiring it.

(2) The value of Public Works Stores issued to other departments is chargeable to them under rule VI of Appendix 15 of the Financial and Account Code, Volume II.

**448.** The cost of land acquired by the Land Acquisition Officer on behalf of the P. W. D. is chargeable in the accounts of the latter as part of the cost of the works for which the land is taken up; but when it is taken up for two or more non-commercial departments conjointly, the charge is not divided, but is wholly debitable to the departments for which the greater part of the land was taken up. As regards establishment and contingent charges in connection with such acquisition see Article 517 of the Financial and Account Code.

NOTE :—Law charges incurred in connection with the acquisition of land should be debited to the same head of account as the cost of land.

**449.** The rent of buildings hired for use as residence of Government servants of any civil non-commercial department is chargeable in the accounts of that department, when the hired residences are, under the orders of the Government, placed under its charge. When any land or building not belonging to the Public Works Department is hired by another department, to be occupied for any other public purpose, the rent is payable by the department concerned, and the Divisional Officers do not disburse rent for such premises unless ordered by the Government to do so.

**450.** When prison labour is employed on public works, the full market value of the work performed, as certified to by the Divisional Officer, is charged to the public works department by corresponding credit to the Jail Department at the rates worked out on the basis of the current schedule of the Public Works Department *vide* para 222 of the Public Works Department Code.



**451.** When any land or building is transferred from one department to another, the transfer shall be free of all charge, except when the property is transferred to or from a commercial department in which case the full market value of it will be charged.

**452.** Services may be rendered, or articles may be supplied, free of cost by one division to another (vide article 454 of the Financial and Account Code, Volume I) except in the following cases :—

(i) *Stores.* If they are issued from a stock or materials account (vide paragraphs 329 and 330) or if their transfer affects a work for which a separate capital or revenue account is kept.

(ii) *Other services.* If they affect the accounts of (a) any work for which a separate capital or revenue account is kept, (b) of a work in progress, (c) suspense or deposits.

**453.** Cash recoveries made from employees, contractors etc., by a division on behalf of other divisions or departments, should be passed on to them, the payment being made by book transfer unless payment in cash is prescribed by rule as sometimes happens, in the case of other departments. Cash obtained from treasuries on cheques and cash receipts (including surplus cash) remitted to treasuries are accounted for as remittance transactions.

## B. ACCOUNTS PROCEDURE.

**454.** When a transaction has to be cleared by a book transfer under the foregoing rules, the transfer should be effected by debiting or crediting it to the remittance head concerned in the cash or stock accounts if it appears therein or by an entry in the transfer entry book. See also paragraph 491 in respect of cash obtained from treasuries on cheques.

(1) Such percentage charges on account of storage and establishment and tools and plant as may be leviable under the rules should also be included by a transfer entry in the amount transferred—see also paragraph 413.

(2) The cost of workshop jobs need not be adjusted monthly vide paragraph 412.

**455.** In cases, however, in which the transaction originates in another division or department, the responding transfer should, as a rule, not be made until receipt of intimation of the original debit or credit either through the Accountant General's Office or direct from the division or department concerned on an advice of transfer debit or credit (paragraph 460). Exceptions to this rule may, however, be authorised by the Accountant General in respect of transactions of any class.

**456.** The responding division should examine every transfer advised to it for adjustment, but it may not reject a transfer because the voucher is not in order, or is missing, nor may a transfer advised be partly rejected; it may be rejected altogether if it does not pertain to the division; otherwise it should be provisionally accepted in full and the dispute, whether as to the amount chargeable or as to other particulars of the transaction, should be settled separately in communication with the officer, who advised the transfer.

**457.** When a charge is transferred to another division or department for adjustment, the transfer is required to be supported either by the necessary vouchers, complete in all respects or by advice from the Audit Officer to the effect that the payment vouchers have been duly audited and passed in accordance with the rules. The Divisional Officers are therefore responsible for obtaining proper vouchers in support of all charges to remittance heads in their accounts.

**458.** When a transaction originates in a public works division, the necessary transfer should ordinarily appear in the accounts of the division for the month in which the transaction occurred, but in the case of work done in workshops the cost is adjustable in accordance with the rules in paragraphs 411-413.

**459.** In respect of work done in a division for other divisions or departments, the intimation of the transfer will be given, after audit, by the Accountant General to the division or department for which the work is done. The division undertaking the work is responsible that the transactions are brought to account under the remittance head concerned, and that work accounts are maintained and vouchers submitted to the Accountant General in the same way as for works of the division itself. It will further be responsible that the estimate and appropriation for the work as communicated or accepted by the party for which the work is done, are not exceeded without further authority from it.

(1) For the purpose of this article work done includes jobs executed in workshops.

(2) In the case of works which are assessable to percentage recoveries on account of establishment, tools and plant, etc. the amount of the estimate and appropriation, for the work should be rateably broken up into two parts to represent respectively, the works expenditure and the percentage charges.

**460.** For other transfer transactions between public works divisions, the originating division should send an advice of transfer debit (or credit) form No. 51 accompanied by necessary vouchers

in the case of debits, to the division concerned as soon as the transaction occurs. The responding division should if it accepts the transfer, acknowledge it on form No. 52, Acceptance of transfer. The debiting division will be responsible that the entry in its accounts is supported by the acceptance of debit, or advice of credit, as the case may be.

(1) In cases of transfer debit transactions, all relevant vouchers including such as do not ordinarily pass beyond the division office, should accompany the advice. If this requirement cannot be complied with in any case, the advice should be attached to the monthly account for transmission by the Accountant General, after the audit of accounts, to the division concerned.

**461.** The Divisional Officer is required to examine, as expeditiously as possible, the transfers which the Accountant General or other Divisional Officers intimate to him to be responded to, and to report all his objections to the Accountant General, whether the transfer is brought to account provisionally or rejected.

**462.** Except in respect of transactions of the following classes, the Divisional Officer may authorise the Divisional Accountant to sign advices and acceptances of transfer for him ;

(i) when the transfer advised is a credit or a minus debit.

(ii) when the transfer accepted is a debit.

**463.** The Divisional Accountant will be responsible that there is clear authority of the responsible disbursing officers of his division for transfers advised to other divisions or departments, and that no charge advised by another division or department is considered as finally adjusted until all the necessary vouchers have been received and have further been completed by obtaining thereon from the responsible disbursing officers of the division the classification of the charge as attested by their dated initials. He should further see that when a transfer advised to the division for adjustment is responded to provisionally, the objection raised thereon is pursued with a view to ensure speedy settlement.

---

## CHAPTER XVI.

**Accounts Returns of Sub Divisional Officers.**

**464.** A Sub-Divisional Officer maintains the initial account records of cash and stores as described in chapters V and VI as well as a works abstract, with certain accompaniments, for each work in progress. All these records are, as a rule, written up as the transactions take place. A Sub-Divisional Officer is not, however, required to consolidate the transactions into a compiled account, this work being done in the Division Office for the entire division.

**465.** The initial accounts of cash and stores for a month should be closed on the dates fixed by the Accountant General's Office. The subsequent transactions of the calendar month should be treated as those pertaining to the accounts of the following month. In Karkatagom, the accounts should be kept open till the last day of the month.

**Rule 1.** The object of this rule is that the accounts returns of sub-divisions should reach the division office in sufficient time for the compilation of the monthly account of the division and its submission to the Audit Office by the prescribed date.

In cases where Section Officers are authorised to maintain initial accounts of stock in their charge, which have to be incorporated in those of the sub-division office, the former may be permitted except in Karkatagom, to close their monthly accounts three days before the date of closing fixed for the sub-divisions. This limit of three days may be relaxed by the Accountant General in exceptional cases.

**466.** Immediately after the cash book of a month has been closed under paragraph 465, the cash balance report, form No. 5, prepared under paragraph 145, should be transmitted to the Divisional Officer.

**467.** Copies of the cash book (supported by vouchers) should be sent to the Divisional Officer twice a month or oftener as may be directed by the Divisional Officer. The copy of the last period of each month should accompany the cash balance report.

(1) As the accounts of the division in respect of the cash transactions of sub divisions are based on the copies of sub division cash books prepared under this rule, Sub-Divisional Officers should satisfy themselves, before signing them, that they are true copies and correct in all respects. As a further precaution, the totals of the 'cash' columns on both sides should be expressed in words in their own hand.

**468.** Within three days of the date on which the accounts of a month are closed, the returns enumerated in items (a) to (d) below should be forwarded to the Divisional Officer with a covering letter. The return in item (e) should be submitted to the division office between the 10th and 15th of the following month.

(a) Abstracts of stock receipts and issues, form Nos. 9 and 10 supported by receipted invoices or other vouchers, and extracts from Register of stock receipts and issues (copies).

(b) Accounts of receipts and issues of tools and plant, form Nos. 13 and 14, supported by necessary vouchers and acknowledgements (in original).

(c) A works abstract (accompanied by materials at site account where necessary and by form No. 49 transfer entry order, in the cases referred to in paragraph 232) for each work in progress (vide paragraph 58) in connection with which there was any transaction during the month with a detailed list of such documents.

(d) Transfer entry orders, form No. 49, relating to the accounts of the month, excluding those proposed from time to time, vide paragraph 229.

(e) A certificate regarding the scrutiny of the materials at site account of minor works and repairs, vide paragraph 297 (ii).

**469.** Other accounts returns which sub divisional officers should submit to the division office are the following :—

(a) Monthly,

(i) Statement of receipts, issues and balance of road metal, P. W. A. form No. 16, vide paragraphs 220 and 221.

(ii) Such statements or reports (vide paragraph 256) in connection with recoveries of rents of buildings and lands as the Divisional Officer may require the Sub Divisional Officer to prepare.

(iii) Estimate of probable requirements of cash, if prescribed by the Divisional Officer under rule 1 to paragraph 115.

(b) Half yearly—Balance return of stock, P. W. A. form No. 11 on or before the 20th of Chingom and 20th Kumbhom.

(c) Yearly—Register of tools and plant, P.W. A. form No. 15, on or before the 15th Kumbhom.

(d) Occasional—Reports of verification of stores (including materials at site of works) immediately after each verification.

## CHAPTER XVII.

## Accounts of Divisional Officers.

## A. INTRODUCTORY.

**470.** The cash and stock accounts, of the Division Office for month are closed on the last working day of the calendar month.

**471.** The transfer entry book for a month should be closed as soon as possible after the expiry of the month, but before this is done, all necessary transfers, e. g. those relating to the levy of the prescribed percentages for establishment, tools and plant, storage charges etc., should be made.

(1) The transfer entry relating to the levy of percentages for establishment, tools and plant, and accounts and audit charges, is effected on a single order of the Divisional Officer recorded in P. W. A. form. No. 58, the special form prescribed for the purpose vide paragraph 489.

**472.** The cash book and stock accounts of the entire division, as also all transfer transactions, should be scrutinised by the Divisional Accountant before they are incorporated in the monthly account and connected registers and schedules.

**NOTE. 1.** The Divisional Accountant's responsibility as a primary auditor extends also to the examination of all claims included in bills presented direct at treasuries by the Divisional Officer, and on behalf of the latter he should also examine the accounts of the disposal of money obtained on those bills.

**NOTE. 2.** In all matters connected with the personal claims of Government servants, the Divisional Accountant is expected to give expert advice and help. He should see in particular that service books of subordinates are maintained in accordance with rule, that the annual establishment return (Article 379 to 384 of the Travancore Financial and Account Code) is accurately prepared, and that the admissibility of leave applied for by subordinates is verified before their leave applications are disposed of by the Divisional Officer or forwarded to higher authority. In all cases of doubt, however, he should advise the Divisional Officer to consult the Accountant General.

## B. SCRUTINY OF ACCOUNTS.

**473.** The Divisional Accountant should examine the accounts turns of sub divisional officers on receipt to see—

- (i) that they have been received in a complete state,
- (ii) that all sums receivable are duly realised and on realisation credited to the proper head of account as well as to the personal account, if any, of the contractor, employee or other individual.

- (iii) that the charges are covered by sanctions and appropriations and are supported by complete vouchers setting forth the claims and the acknowledgments of the payees legally entitled to receive the sums paid,
- (iv) that all vouchers and accounts are arithmetically correct,
- (v) that they are in all respects properly prepared in accordance with the rule, and
- (vi) that all charges are correctly classified, those which are debitable to the personal account of a contractor, employee or other individual, or are recoverable from him under any rule or order, being recorded as such in a prescribed account.

It should be seen in particular that, on the basis of rates sanctioned by competent authorities, and of facts (as to quantities of work done, supplies made etc., or services rendered) certified by responsible officers, the claims admitted for payment are valid and in order.

(1) It is not necessary that the Divisional Accountant should check personally the arithmetical accuracy of all vouchers and accounts, but he is responsible that a cent per cent check is exercised efficiently under his supervision.

**474.** The Divisional Accountant should exercise a similar check, from day to day in regard to (i) the transactions recorded direct in the cash and stock accounts of the Division Office and (ii) bills and vouchers of sub divisions, which are submitted to the Divisional Officers for approval before payment is made by the Sub-Divisional Officer. In respect of charges, this examination should be conducted before the payment is made.

**475.** Every payment should be so recorded and a receipt for the same so obtained e. g. see paragraphs 281 and 285 that a second claim against Government on the same account is impossible, and if it represents a refund of a sum previously received by Government, it should also be seen that the amount paid is correctly refundable to the payee.

**476.** If the Divisional Officer has set a limitation on the drawings of any sub divisional officer on a treasury for any month, he should intimate the same to the Treasury Officer, and specify the date of commencement and termination of the account month of the Sub Divisional Officer. The Divisional Accountant while examining the cash book of the Sub Divisional Officer, should see that the total amount of cheques drawn by him during that month does not exceed the prescribed limit vide para 120.

**477.** The Divisional Accountant is responsible that every order or sanction affecting expenditure to be accounted for in the monthly account, is noted at once in a suitable register (or other account)

preferably one wherein the expenditure incurred against it can be watched readily. General sanctions to estimates and appropriations for works should be noted in the register of works. Sanctions to fixed charges of a recurring character e. g. those relating to the entertainment of work charged establishments should be entered in the register of sanctions to fixed charges, P. W. A. form No. 54. For sanctions to special payments chargeable to the accounts of works and other miscellaneous sanctions, P. W. A. form No. 55, register of miscellaneous sanctions, will be found suitable.

(i) Sanctions to estimates for works should be entered in the register of works, even though a collective register of all sanctioned estimates is maintained by the Divisional Officer for his own information.

**478.** If against a single sanction two or more disbursing officers have to operate simultaneously, the orders of the Divisional Officer should be obtained imposing a definite limitation on the money transactions of each officer. Similarly, if disbursing officers of two or more divisions are concerned, the orders of the Chief Engineer should be taken. In such cases it may be advisable to have a separate working estimate, or other sanction, to cover the transactions of each disbursing officer, and for the purpose of bringing the expenditure to account, these should be treated, as far as possible, as independent transactions pertaining to the same group of works or the same project. If this is not possible, special arrangements must be made for the check of the total expenditure against the sanction.

**479.** It is one of the functions of the Divisional Accountant to see that expenditure which is within the competence of the Divisional Officer to sanction or regularise is not incurred as a matter of course, under the orders of subordinate disbursing officers without his knowledge. All such items of expenditure should at once be brought to the notice of the Divisional Officer and his orders obtained and placed on record. See also paragraph 79.

**480.** When a recovery has been ordered to be made from a contractor or other person, which cannot be watched through a suspense or other account specially prescribed for the purpose, the order should be noted at once in the register of recoveries in P. W. A. form 86, opened specially for the purpose, so that the amounts recovered from time to time (with particulars of the accounts concerned) may be recorded against it, and prompt compliance with the order watched.

**481.** It is permissible to take in reduction of the expenditure on works in progress, certain receipts and recoveries of expenditure (vide paragraph 236) e. g. sale proceeds of surplus materials and plant acquired specially for any work, or of materials received from dismantled structures. The amounts of such receipts are, however



not available for expenditure in excess of that authorised in the estimate for the work, and the Divisional Accountant should see that, without orders of competent authority, the gross expenditure authorised is not exceeded or surplus receipts realised are not utilised towards additional expenditure. He should, at the same time, watch the receipts, with a view to bring to the Divisional Officer's notice and obtain that officer's orders on all marked deviations from the provision for such credits in the estimates of works

(1) In case of works the accounts of which are kept by sub-heads, all such receipts should be credited to a special sub head in these accounts vide paragraph 327. In the case of other works, the progress of the realisation of the receipts should be watched through the register of special recoveries (vide paragraph 480) which should be posted from sanctioned estimates in respect of credits anticipated therein, and from the accounts in respect of receipts realised from time to time.

(2) The Divisional Accountant should see also that savings due to abandonment of parts of a work, as evidenced by the quantities of the work executed or otherwise, are not utilised towards unauthorised expenditure.

**482.** After check every voucher should be enfaced 'checked' over the dated initials of the Divisional Accountant as well as any clerk who may have applied a preliminary check. Vouchers not submitted to audit (vide paragraph 503) should be 'cancelled' by means of a perforating or endorsing stamp and kept carefully, to be made available for test audit whenever demanded by the Accountant General.

(1) Stamps affixed to vouchers should be so cancelled that they cannot be used again, and if, with this object, they are punched through, care should be taken that the acknowledgment of the payee is not destroyed thereby.

(2) Vouchers relating to new supplies of tools and plant should be completed by noting on them the name of the month in the accounts of which the articles acquired were brought on to P. W. A. form No. 13, Accounts of receipts of tools and plant.

(3) Vouchers relating to contingencies which do not amount to more than Rs. 20 each should be dealt with in the manner indicated and a certificate in the form detailed in Article 448 of the Travancore Financial and Account Code written up.

**483.** The results of the examination of accounts and vouchers received from Sub Divisional Officers should be intimated to them in all cases in which it is necessary to obtain further information, accounts, vouchers, certificates, etc., or to direct them to correct the relevant records of their offices or avoid the recurrence of any irregularity. The procedure to be observed may be prescribed by the

Divisional Officer. The records connected with the results of the examination should be retained so as to be available for the Accountant General's inspection.

#### C. SETTLEMENT OF ACCOUNTS WITH TREASURIES.

**484.** As soon after the expiry of the month as possible, monthly settlement should be effected with all treasuries in respect of the transactions of the entire division with them.

**485.** For payments into treasuries, consolidated receipts should be prepared in P. W. A. form No. 47 for the whole of the remittances made to each treasury, and sent to the treasury officers for signature.

**486.** For cheques drawn, the pass books duly completed for the month, should be obtained from the treasury officers with the certificates of issues from treasuries (which are prepared in the form reproduced below) and their agreement with the cash books of the division should be effected in part II of form No. 48, Schedule of monthly settlement with treasuries, which also gives details of the difference.

I hereby certify that the total issues made from this treasury on cheques drawn against the account of Mr ... .. Officer in charge.....Division during 11 amounted to Rs ... ..(in words).

The certificate of agreement should be recorded in the pass book over the signature of the Divisional Officer without recording any details of the uncashed cheques or other differences.

(1) The pass book or list of cheques cashed is written up in Treasury Code form No. 18. It should remain in the division office as an account record of the office and should be sent to the treasury periodically on fixed dates (at weekly intervals in the case of the treasury at the division headquarters) to be written up. The identity and the amounts of the cheques entered as cashed should be examined at the earliest opportunity, the pass book being initialled (and dated) by the Divisional Accountant in token of the check.

(2) P. W. A. form 48 is required for submission to audit in original, vide paragraph 501. The office copy of the details recorded in it should be signed by the Divisional Officer and carefully recorded.

**487.** As sub division cash books are closed before the last date of the calendar month, and the accounts of sub-treasuries are also not closed on that date, transactions recorded in the cash books of the P. W. D. for a month may sometimes be responded to by the treasury in an earlier or a subsequent month. This disturbing factor should be borne in mind. Differences which are neither due to this cause nor represent amounts of uncashed cheques should be settled expeditiously in consultation with the Treasury officer concerned.

## D. COMPILATION OF ACCOUNTS.

### I. *Monthly accounts.*

#### (a) *Schedule dockets.*

**488.** As cash vouchers and transfer entry orders relating to (i) charges on works other than percentages charged for establishment, tools and plant, etc., and (ii) other items of expenditure or disbursement for which a contingent bill is not required come to hand and are scrutinised, they should be posted into schedule dockets in form No. 57, a separate form being used for...

(a) Each work to be accounted in a schedule of works expenditure, P. W. A. form No. 59 or in the schedules of deposit works P. W. A. No. 60 and kudipathi works schedules.

(b) Each manufacture or other item of expenditure debitable to stock and to be accounted for in the schedule of debits to stock P. W. A. form No. 64.

(c) Each separate class of charges (including refunds of revenue) for which a schedule in any other form has to be prepared under the rules in this chapter.

Cash receipts which have to be taken in reduction of expenditure (vide paragraph 236) should be posted as refunds, with brief particulars of the transactions. At the end of the month the schedule dockets should be completed in respect of stock transactions by posting therein all the stock debits and credits of the month as recorded in the lower parts of forms 10 and 9, abstracts of stock issues and stock receipts respectively, omitting those brought to account through the cash book and the write back order book, vide rule 2 to paragraph 170. The total of the month's stock transactions relating to each schedule docket should be entered therein as a single figure, plus or minus as it is a debit or a credit, and if there are both debits and credits to be entered, the net result only should be posted. Thus in the case of the schedule docket for works, this figure represents the total issue of materials from stock to the work and the materials transferred from works to stock will appear as refunds under the heading 'transfer entries'. The schedule dockets should then be totalled and reconciled with the works abstracts in the case of works, and with the schedules concerned in the case of dockets of class (c) above. All the vouchers (including acknowledgments for stock supplied to contractors) transfer entry orders, survey reports, and sale accounts which are required to be submitted to audit (vide paragraph 503) should then be tacked to the respective schedule dockets which should be numbered in a separate series for each month.

(i) The audit of schedule dockets is conducted in the Accountant General's Office on the assumption that petty vouchers and initial stock accounts in support of the certified amounts of unvouched and stock charges have been duly audited by the Divisional Accountant in detail and are available for test audit. The Divisional Accountant is, therefore, personally responsible for the accuracy of these amounts as stated in schedule dockets.

(ii) Some of the schedules referred to in clause (c) above include charges for works supported by a schedule of works expenditure. Such charges and other transactions relating to the works expenditure should be posted in the schedule dockets for the works concerned.

**489.** For percentage recoveries made on account of establishment, tools and plant and accounts and audit and pensionary charges, a single schedule docket should be prepared embracing all Government as well as non-Government works on which these percentages may be leviable under rule.

When the Divisional Officer is on tour, this may be signed by the Divisional Accountant,

(b) *Registers and Schedules.*

(a) Expenditure on works.

(b) Expenditure on stock

(c) Transactions referred to in paragraph 498.

**490.** (a) All cash and transfer entry transactions of the month other than those noted above, should be posted, from time to time, into one of the schedules or registers named below, to which the transaction relates :

- |   |   |  |
|---|---|--|
| <p>(i) Registers of revenue realised.</p> <p>(ii) Registers of refunds of revenue</p> <p>(iii) Registers of receipts and recoveries on Capital Account.</p> | } | <p>All in form No. 45 (Paragraphs 252 and 253), a separate register being maintained for each major head and in the case of works for which a separate revenue account is kept, one for each separate system or project.</p> |
|---|---|--|

- (iv) Registers of rents of buildings and lands, Account Form 21 (Paragraph 255) a separate register being maintained for each major head etc., as in respect of Nos. (i) to (iii).

(v) Schedule of debits to remittances

(vi) Schedule of credits to remittances

Both in form No. 69.

- |   |                        |
|---|------------------------|
| (vii) Schedule of debits to miscellaneous heads of account.   | } Both in Form No. 68. |
| (viii) Schedule of credits to miscellaneous heads of account. |                        |

(ix) Suspense register—P. W. A. Form No. 61 in respect of transactions falling under the heads 'purchases' and 'miscellaneous P. W. Advances', vide paragraphs 387 and 401.

(x) Deposit registers—P. W. A. Form 61, vide paragraph 429.

(xi) Schedule of deposit works—P. W. A. form No: 60, vide paragraph 437.

(xii) Schedule of Kudipathi works—Form No. 59, with modification, vide paragraph 443.

(b) Of these schedules Nos. (i) to (iv) and (ix) to (xii) have already been described in the paragraphs quoted against each.

(c) Schedule Nos. (v) and (vi) are schedules in which all remittance account transactions are collected, the entries being grouped under the headings given in Form No. 69.

(d) Schedules Nos. (vii) and (viii) are intended to collect all disbursements and receipts which do not pertain to any of the other schedules mentioned in this paragraph or to any of the works or stock expenditure schedules referred to in paragraphs 492 to 494. These transactions are adjusted finally in the books of the Accountant General, and ordinarily affect one of the non-public works major heads of revenue or expenditure (e. g. 'VII Taxes on Income' 'XV-Jails' '19-E-General Administration—Accountant General's Office' and '45 Miscellaneous').

(1) Incometax deductions from work charged establishment appear in the schedule of credits to miscellaneous heads of accounts. Percentage recoveries for accounts and audit on behalf of private parties and local bodies appear as credits or minus debits in the schedules of credits or debits to miscellaneous heads of account respectively according as the amounts are creditable to XXXVII Miscellaneous or 19-E-General Administration—Accountant General's Office. As regards other transactions, they should not be classified under the final or debt head concerned and shown in the schedules of credits or debits to Miscellaneous heads of account, unless the Accountant General has authorised this; ordinarily they should be classified by Divisional Officers under the remittance head 'Public Works remittances—other remittances' and included in the debit or credit form, as the case may be.

491. At the end of the month, the stock transactions of the month as recorded in the abstracts of stock receipts and stock issues, forms 9 and 10, excluding transactions brought to account (*vide* rule 2 to paragraph 170) through the cash book and the transfer entry book, should be incorporated in the schedules referred to in paragraph 490 and the schedules should be completed in all other respects.

(1) In the debit schedules 68 and 69 and in the deposit register should be posted, from the detailed schedules concerned, (*vide* paragraphs 492 and 493) the total amount of works expenditure chargeable to each head of account, division or office (see also paragraph 429) and (2) the total amount of the cheques drawn during the month should be entered in the credit schedule form No. 69 (Public Works Remittances—Public Works cheques)

492. (a) After a reconciliation has been effected between the totals of works abstracts and relevant schedule dockets, a schedule of works expenditure should be prepared in form No. 63 separately for expenditure relating to each of the following classes:—

1. Buildings, communications and miscellaneous public improvements
2. 10 Protective Irrigation
3. 10-C Irrigation (capital account)
4. 39 Maramat
5. 40 'Military works'
6. 11 Anchal capital works
7. Capital expenditure not chargeable to revenue separately for each project
8. Agency works—works done on behalf of civil departments.
9. Road development fund works.
10. Kudipathi works
11. All non-Government works other than department and kudipathi works for which separate schedules should be prepared.

(b) Only those works on which expenditure has been incurred during the month should be included in the schedule, the entries being detailed in the order of the prescribed heads of the accounts classification in the case of works of classes 1 to 4, 6 and 7 and grouped separately for each project in the case of works of class, 7. All works forming part of a single project or system should in all cases be grouped together.

493. The schedule of deposit works and the schedule of kudipathi works should be completed in respect of expenditure transactions, which should be taken from the relevant schedule dockets.

**494.** All debits to stock should be collected in form No. 64 schedule of debits to stock. The entries in this schedule should be arranged in four groups:—

- (i) 'Manufacture'
- (ii) 'Land', kilns etc.,
- (iii) 'Storage' and
- (iv) 'Other sub heads'

Under (i) should be detailed all manufacture operations in progress and under (ii) all works in progress in connection with the acquisition, construction and repairs of land, kilns etc., under (iii) should be shown the expenditure which is incurred after the acquisition of stores, on work charged establishments employed on handling and keeping initial accounts, the custody of stock and the maintenance of stores godowns or yards etc. Under (iv) should be shown (a) individually all items of expenditure on the carriage, handling etc., of stock materials when the cost of such processes is chargeable to sub head of stock under which materials are classified (*vide* paragraphs 183 and 364) (b) individually, all items of acquisition of stock materials, for which an estimate is required under rule, and (c) collectively all other items of acquisition of stock materials.

**NOTE. 1.** If the Divisional officer is specially authorised by Government to sanction the carriage, handling, etc., charges up to a specified money limit, it will devolve upon the Divisional Accountant to conduct the audit of individual items of expenditure against the Divisional Officer's sanctions but all items of this class should be detailed in the schedule.

**NOTE. 2.** In respect of each manufacture operation, the out-turn of the month (*vide* paragraph 370) should also be shown in the schedule, the operation and out-turn being entered into two separate lines.

**495.** An account of the suspense head 'stock' should next be prepared in form No. 65 stock account. Part I of this form is the main account showing the receipts, issues and balances, classified by sub heads, separate figures being given in respect of the sub heads 'manufacture' and 'land, kilns etc.' and storage and all other sub heads (*vide* paragraph 391) being lumped up. Part II, the detailed account of issues, is written up first, and from this part and the schedule of debits to stock, form No. 65, is prepared Part I.

(c) *Classified Abstract of Expenditure.*

**496.** A consolidated account of all expenditure (*vide* paragraph 70) charged against the grants of the division should be prepared in form No. 66, classified abstract of expenditure. The figures relating to the several major heads or divisions thereof, shown separately as in Appendix I, should be entered in separate sections, arranged in the order indicated in Appendix I.

(1) When works for any of the departments detailed in paragraph 492 (a) are undertaken and funds for the purpose are allotted to the division, the expenditure transactions connected therewith should also be abstracted in form No. 66, the classification of expenditure being that prescribed in respect of the works concerned, *vide* rule 1 to paragraph 67.

(2) Refunds of revenue are excluded from this abstract as they are treated as minus revenue, *vide* paragraph 250 and Appendix I. On the other hand, 'receipts and recoveries on capital account' are included in this abstract as minus expenditure as they are taken in reduction of the charges under the major head concerned, *vide* statement A of Appendix I.

(d) *Preparation of monthly account.*

497. Finally, should be prepared, for presentation (with all supporting registers, schedules, vouchers, etc.) to the Divisional officer and submission to audit, the monthly account in form No. 72. This account is an abstract of the entire receipts and disbursements of the month, as detailed in the various schedules and registers, and shows also the opening and closing cash balance, and on the back of the form are printed (i) a memorandum of miscellaneous cash receipts paid into treasuries, and (ii) a certificate in respect of the closing cash balances of subordinate disbursing officers. The entries in the account are divided into three groups:—

- (i) Revenue entries, which are the total receipts under the several major heads, as taken from the registers of revenue realised, form No. 45.
- (ii) Expenditure entries, which are the totals for the several divisions of major heads and are posted from the classified abstract of expenditure, form No. 66, and
- (iii) Other heads, entries in which representing both receipts and disbursements, are posted from the schedules of deposits, kudipathi works, agency works, remittances and miscellaneous heads of account, forms 70 or 71, 69 and 68.

(1) The totals of the columns for receipts and disbursements must agree and if there is any difference due to cash being in transit between two disbursing officers, its amount, etc., should be included in the closing balance and the certificate of cash balance should be amplified so as to state the amount and the steps taken to adjust the difference.

498. (a) There are certain transactions recorded in the initial cash and stock accounts, which involve no operation on a revenue,



expenditure or any other prescribed head of the accounts classification, as every such entry is counterbalanced either at once or after an interval, by a similar entry of the reverse character. It is not necessary to include such transactions for audit purposes, in any of the schedules and registers leading to the monthly account, but the Divisional Accountant should see that all transactions are cancelled by each other in due course.

(b) These transactions fall under two classes:—

(i) *Cash from treasury.* A cheque drawn to replenish the cash chest is charged to this head in the cash book and per contra the amount of the cheque is entered at once as cash received under the same head, a cheque drawn in favour of self being cash (*vide* paragraph 108) even though not cashed at once.

(ii) *Transfers within division.* Remittances of cash and stock by one accounting officer of the division to another, are charged or credited to this head when the remittance is actually made or received.

499. When the monthly account does not balance and the discrepancy cannot be detected readily, it may be advisable to write up independently an abstract book, from the original cash books, abstracts of receipts and issues of stock, and the transfer entry books and thus to locate the error or omission.

500. It will be seen that all the transactions of the division, as recorded in the initial accounts of cash and stock and in the transfer entry book, excluding items referred to in paragraph 498, enter one or other of the prescribed schedules, the details being in some cases recorded in supporting schedule dockets. Transactions recorded in the cash book and the transfer entry book are posted direct from those sources, no items being omitted; but those recorded in the initial accounts of stock, forms 8, 9 and 10 are dealt with as under;—

(a) Those brought to account through the cash book or the transfer entry book (*vide* paragraph 170) *e. g.* stock purchased in cash, stock sold for cash, and stock received from works are left out and

(b) the rest are posted direct, from the abstracts of stock issues, forms 9 and 10.

To ensure the accurate compilation of accounts, it is essential that the transactions referred to in (a) above are not brought to account twice, and the Divisional Accountant should see that all items of this class are correctly separated off in the lower part of the abstracts of stock receipts and stock issues, forms 9 and 10 as prescribed in rule 2 to paragraph 170.

*(e) Submission to Audit.*

**501.** The monthly account is due to reach the Accountant General on or before the 10th of the month following that to which it relates. It should be supported by the following documents.

1. Extracts from the register of re-venue realised, P. W. A. form 45 and In the same form as the register.
2. Extracts from the registers of re-funds of revenue, P. W. A. form 45.
3. Classified abstract of expenditure, form No. 66
4. Schedules of works expenditure, form No. 59
5. Schedule docket of percentage recoveries, form No. 58
6. Stock accounts, form 65, with sale accounts, form 19, in support of the cash credits to stock.
7. Schedule of debits to stock, form No. 64
8. Schedule of purchase, form No. 62 Extracts from the relevant sections of the suspense register, form No. 61.
9. Schedule of Miscellaneous P. W. advances, form No. 63
10. Schedule of workshops suspense.
11. Extracts from registers of receipts and recoveries on capital account, form No. 45 In the same form as the registers.
12. Schedule dockets, form No. 57 (with necessary vouchers, transfer entry orders, survey reports and sale accounts tacked to each)

13. Schedules of credits and debits to miscellaneous heads of account, form No. 68
14. Schedule of credits and debits to remittances, form No. 69
15. Schedule of monthly settlement with treasuries, form No. 48 (with supporting consolidated treasury receipts and certificates of issues, signed by treasury officers)
16. Schedule of deposits, form No. 70 or 71 extracted from the deposit register form No. 61
17. Schedule of deposit works, form No. 60 (with reports of progress of expenditure)
18. Schedule of kudipathi works form No. 59 suitably modified, with accepted certificates of Division Peishkar referred to in paragraph 446 of this Code.
19. Extract from account of receipts of tools and plant, form No. 13
20. Extract from the accounts of issues of tools and plant, form No. 14 (with supporting survey report of stores, form No. 18, sale accounts, form No. 19, acknowledgments of officers concerned in the case of stores transferred to other officers not being Divisional Officers and treasury receipts  
In the same form as the accounts.
21. Schedule of boat rents or license fees, P. W. A. form No. 104
22. Extract from contractors' ledger, form No. 42 prepared in P. W. A. form No. 74

**23.** Schedule of rents on buildings and lands

**24.** Completion reports for works due to the Accountant General for works completed

**25.** List of accounts submitted to audit, form No. 75

(1) The Divisional Officer is required to make a formal report, periodically, of the progress of expenditure on a deposit work, to the administrator or depositor concerned. For this purpose a report in form P. W. A. No. 82 setting forth, the amount of the estimate the total deposits received, and the progressive expenditure, should accompany the schedule of deposit works, so that the Accountant General may, after auditing the schedule, verify the report and forward it to the local body or persons concerned. Several works relating to the same depositor may be included in one report.

(2) If the Divisional Officer is authorised, to refund, without reference to higher authority, fines which have been remitted by a court of law, the original orders of the court should accompany the schedule of refunds of revenue, as the audit of the refunds made in such cases is conducted by the Accountant General on the authority of the orders of the court.

(3) In the case of projects under construction, the schedule of works expenditure should show total expenditure to date on each of the heads subordinate to the minor heads (e. g.) head works, main canals and branches, etc., as also the total amount of the estimate for comparison. As regards revenue accounts, the expenditure under 'extensions and improvements' and 'maintenance and repairs' should be arranged by works under the several detailed heads.

(4) The expenditure on the maintenance of each staff boat should be separately shown in the schedule so as to enable a check of the annual statement showing the working of the staff boats.

**502.** The schedules relating to the suspense and deposit accounts, forms 62, 63, 65 and 70 and the workshops suspense schedule, must be submitted to audit, month after month, so long as there are balances outstanding under the account concerned, whether there have been transactions during the month or not; but, in respect of purchases and deposits, the Accountant General may authorise the use of the alternative forms of schedule numbers in the case of divisions where the number of outstanding items is

very large, but the number usually affected by the monthly transactions is small. In respect of the schedule of the deposit works form No. 60, the Accountant General may dispense with the submission every month of part II of the schedule. Subject to these exceptions, the remaining schedules are necessary only if there have been any transactions during the month.

**503.** (a) With the exceptions noted below (as to which, however, see clause (b) below) all vouchers and transfer entry orders in support of cash payments and other charges in the accounts must accompany the monthly account :

(i) Muster rolls or other vouchers in support of payments to labourers irrespective of amount,

(ii) Vouchers in support of wages to members of the work charged establishment, the posts held by whom the Divisional Officer is authorised to sanction,

(iii) Other cash vouchers, relating to works, the amount of which do not exceed Rs. 20.

(iv) Invoices or other vouchers in acknowledgment of issues of stock materials including issues of out-turn from manufacture to stock.

(v) Vouchers in support of payments made for the conversion of cash deposits into interest bearing securities, in cases in which no voucher other than the security itself or a safe custody certificate of the security exists.

**NOTE:** When a voucher of this class is not submitted to audit the reasons should be noted against the entry of its amount in the schedule docket or in the schedule of works expenditure.

(vi) Transfer entry orders of the classes enumerated below

Those involving debits to remittance heads otherwise than in respect of expenditure on works.

Those relating to charges which are supported by vouchers received in transfer.

Those involving a credit to a revenue head (gross receipts) or to any miscellaneous head of account otherwise than in respect of expenditure on works.

(b) All vouchers (other than muster rolls) in support of debits to contractors should be submitted to audit, even though falling under any of the exceptions to clause (a).

**NOTE : 1.** The provisions in clauses (a) and (b) of this paragraph apply also to vouchers received from other divisions or departments in support of transfer debits raised by them,

**NOTE 2.** The term 'voucher' used in clause (a) includes advices of transfer credit and acceptances of transfer debits received from other divisions, departments etc., in the case of the docket for schedule of debits to remittances.

(c) All vouchers in support of payments for land acquired should be submitted to audit.

(d) All survey reports of stores (form 18) and sale accounts (form 19) must also accompany the monthly account. Sale accounts in support of cash credits to stock should be attached to the stock account form No. 65, survey reports and sale accounts in support of other credits to stock should be tacked to the schedule dockets pertaining to the works or accounts debited; those in support of the extract from account of issues of tools and plant form 14, should accompany that document and the remaining survey reports and sale accounts should be attached to the schedule dockets relating to the works or accounts credited.

**504.** The Divisional Accountant is required to sign not only the monthly account, but also all the schedules, etc., accompanying it. It is not necessary that the Divisional Officer should sign all these documents; he must, however, sign the monthly account, the schedule of monthly settlement with treasuries form No. 48 and the list of accounts form No. 75, unless he is absent from headquarters, in which case he should send to the Accountant General, as soon as he can examine his books and papers on return, a report in form No. 76 (with a duplicate copy of the monthly account the schedule of monthly settlement with treasuries signed by himself) without which the Accountant General will not finally pass the monthly account. The contingent bill must invariably be signed by the Divisional Officer.

In cases in which form No. 58 is signed by the Divisional Accountant under paragraph 489, the Divisional Officer should on return to headquarters send to the Accountant General in form No. 76 a duplicate copy of it signed by him.

1. It is desirable that the Divisional Officer should make arrangements for the review himself of all vouchers before they are submitted to audit, and that, unless the circumstances are exceptional, he should sign the accounts himself.

**505.** In connection with the accounts for Karkatagom, the following points should receive special attention :—

(a) The entry of the closing cash balance should be supported by (1) the original cash balance reports (form No. 5) of all disbursing officers including the Divisional Officer, and (2) a certificate of the Divisional Officer to the effect that he has obtained, on or after

the last day of Karkatagom, and retained in his office an acknowledgment from the officer or subordinate concerned, in respect of each item of imprest or temporary advance shown in the cash balance reports of the division for the last day of Karkatagom.

(1) The original cash balance reports of subordinate disbursing officers should be initialled by the Divisional Officer before transmission to audit.

(b) To part II of the schedule of monthly settlement with treasuries, form No. 48, should be subjoined a statement, in the form given below, in respect of the cheques drawn to meet payments of works.

Particulars.	No. of cheques issued.	Account
1. For the whole month..	...	...
2. During the last five working days of the month ...	...	...

(c) The schedule of deposits form No. 79 or 71 should be accompanied by the account of interest bearing securities, P. W. A. form No. 78 referred to in paragraph 431.

## II. *Review of unsettled accounts.*

**506.** The several registers and schedules relating to the sus-

Contractors' ledger,  
works Abstract and  
Register of works.

Rent registers and  
the other records of  
assessment and real-  
isation of revenue, re-  
ferred to in paragraph  
237.

pense and deposit heads of accounts, and the accounts referred to in the margin, should be reviewed monthly so that the steps necessary to effect the expeditious clearance of outstanding balances, whether by actual recovery or by adjustments in the accounts may be taken regularly throughout the year. In Mithunam or early in Karkatagom, special steps should be taken with a view to bring about all possible

reduction in the number and amounts of outstanding items at the close of the year; and within six weeks of the submission of the monthly accounts for Karkatagom, a consolidated certificate in respect of balance, other than cash, should be forwarded to the Accountant General in P. W. A. form No. 53, Annual Certificates of Balances.

(1) If the closing balance under any head is nil, it does not necessarily follow that a certificate is not required in respect of it. In all cases in which there was a balance at the commencement of the year, or there were any transactions during the year, a certificate should be recorded, the wording of it being suitably amended (if necessary) in case the closing balance is nil.

**507.** Similarly, the prompt settlement of all remittance transactions, original or responding should receive the personal attention of the Divisional Accountant (*vide* paragraph 103) who should take special steps early in Karkatagom to bring to account all liabilities and assets awaiting settlement and to effect clearance, in the accounts of Karkatagom, of as many outstanding items as possible. Liabilities, as well as outstanding debits and credits, remaining unadjusted at the end of Karkatagom should be watched individually with a view to their clearance before the accounts of the year are finally closed. It is not sufficient that the division office has brought to account all the transactions the responsibility for which devolves on itself. It is equally important that necessary action be taken to move the other parties concerned to bring to account or settle the outstanding items, the intervention of the Accountant General being sought when necessary.

### III. *Closing the accounts of the year.*

**508.** The financial year terminates on the last day of Karkatagom, and actual transactions taking place after that date can on no account be treated as pertaining to the year. It is necessary, however, that as many of the unadjusted remittance transactions of the year as possible, should be cleared within the accounts of the year, and very often errors in account come to notice after the last day of Karkatagom which should be set right if possible without affecting the accounts and estimates of the following year; whilst therefore it is necessary that the cash accounts should be positively closed on the last day of Karkatagom, and also the stock accounts in respect of actual transactions, the Transfer Entry Book and the stock accounts should be kept open for transfer entries relating to rectification of errors and settlement of remittance accounts.

(1) If any adjustments in accounts have been purposely deferred till the close of the accounts of the year, it is permissible to effect them after the last day of Karkatagom, in the same way as adjustments in rectification of errors noticed after that date.

**509.** The transfer entry transactions referred to in paragraph 508 should be consolidated into a monthly account, which, with all the necessary accompaniments, should be submitted to audit on the 1st day of Thulam following. This account is known as the supplementary account of the year.



(1) This account should be of the simplest character and should set forth only the transactions to be brought to account. It is not necessary, for instance, to repeat in any of the suspense or deposit schedules, the items not affected, so long as, in addition to the necessary details of the items affected the totals for the account concerned are also given. Similarly, in the schedule of rents on buildings and lands form No. 67, only the items affected and the totals need be given, and in the extract from the contractors' ledger, form 74, only the accounts of those contractors whose accounts are affected in any way.

#### IV. *Miscellaneous returns.*

**510.** Other account returns which the Divisional Officer should submit to the Accountant General are the following:—

(a) Half yearly,

half yearly registers of stock, form No. 12 on or before 1st Thulam and 1st Medom.

(b) Annually,

Register of tools and plant, form No. 15 on or before 15th Medom.

(c) Certificate of monthly reconciliation of the ledger and book balances in respect of each sub head of stock in the P. W. workshops by the 10th of the second month succeeding the month to which the accounts relate.

#### V. *Corrections in Accounts.*

**511.** If an item in the accounts which properly belongs to a revenue or expenditure head is wrongly classified under another revenue or expenditure head, the error may be corrected at any time before the accounts of the year are closed, but after the accounts are closed, no correction is admissible except as permitted in paragraph 354 of this Code.

(1) Errors in suspense accounts are governed by the rule in clause (b)

(2) If an error be detected after submission to audit of the Divisional Officer's supplementary account of the year, it should nevertheless be reported to the Accountant General for instructions, unless the amount be not more than ten rupees.

(b) All errors affecting debt (including suspense) and remittance heads must be corrected, however old they may be.

(c) When a correction is permissible it should be made by a formal transfer entry; but when it is not permissible, it is sufficient to make a suitable note of it in the account concerned.

**512.** All corrections in accounts which may be advised by the Accountant General on auditing the documents, should, after verification, be carried out in all relevant records, the entries being made in red ink (except in the audit note or other advice) and attested by the dated initials of the Divisional Accountant.

(1) The Divisional Accountant is responsible that all corrections advised by the Accountant General are specially brought to the notice of the Divisional Officer.

#### VI. *Pro-forma Accounts.*

**513.** When the details of any class of transactions as recorded in accounts, are not sufficiently indicative, of the financial results of the operations of a given period, and it is necessary to ascertain the results, it is usual to prescribe periodically suitable pro-forma accounts in addition.

(1) If a pro-forma account relates to transactions of two or more divisions, the compilation of it will ordinarily devolve upon the Accountant General; but Divisional Officers may be required to furnish the necessary data. A pro-forma account relating to a single division is prepared by the Divisional Officer and if it is an account prescribed by an administrative authority, it will be checked, if desired, by the Accountant General.

(2) If the maintenance of such supplementary accounts is necessary for audit purposes and no form has been prescribed by the Accountant General, the Accountant General will determine the required forms in consultation with Government, but if the accounts are required for administrative purposes, the Accountant General will merely give such advice or assistance in prescribing the forms as may be required of him.

**514.** If for the purpose of any pro-forma account which the Accountant General is required to prepare or check, it is necessary to determine the charges incurred on a particular work or service or a group of works or services, the expenditure thereon should be booked separately in the general accounts, even though, under rule, it may not be customary to estimate or account for such expenditure separately, see also paragraph 71 (d).

**515.** The pro-forma accounts showing the results of the working of irrigation, navigation, embankment, water supply and drainage projects productive as well as unproductive, for which capital or revenue accounts are kept, are prepared annually by the Accountant General.

**516.** For workshops, manufactories and similar quasi-commercial undertakings, it is usual to prepare pro-forma accounts periodically, vide paragraph 374 (d) and 415.

**517.** In respect of buildings in charge of the P. W. D. which are available for occupation as residences, capital and revenue accounts are prepared triennially by the Accountant General, in accordance with the rules and orders issued by Government. For this purpose, Divisional Officers should furnish the Accountant General annually with the necessary data in respect of such buildings of their divisions as may have to be included in the accounts.

(1) On closing the account of a work involving expenditure on the construction, acquisition, or equipment of a building intended to be used as a residence, or expenditure on additions and alterations to an existing residential building, the Divisional Accountant should see:

(i) that if it is a new building, it is entered in the register of rents of buildings and lands,

(ii) that steps are taken to obtain the orders of competent authority to assess, or revise, the rental, as the case may be,

(iii) that the correct capital cost of the building is noted for entry in the next set of capital and revenue accounts, the note being made in the register of buildings referred to in paragraph 404 of the P. W. Department Code.

(2) Rule (1) applies also to expenditure on the provision of special services in connection with residential buildings such as furniture etc., for which rent is charged separately.

(3) If a building is actually occupied prior to closing the accounts of expenditure on construction, acquisition or equipment, rent is nevertheless chargeable from the date of occupancy and should, therefore, be fixed provisionally with the sanction of competent authority.

#### *E. Cheque books and Receipt books.*

**518.** (a) Register of cheques (and receipts) books should be kept in Account form No. 5, separate pages being reserved for cheque books, permanent and temporary receipt books.

(b) Whenever on examining a cash book it is noticed that a cheque book or receipt book has been brought into use for the first time, the Divisional Accountant should enter it at once in the register as a new item. At the same time, the date on which the corresponding book previously in use was completely written up should be ascertained from the cash book and noted in column 4 of the register against the original entry relating to the book.

(c) The submission of the counterfoils of used cheque and receipt books for record in the division office (*vide* paragraph 154) should be watched through this register and as soon as the counterfoils are received they should be examined and it should be seen

in particular (i) that all items for which receipts were issued were duly brought to account in the cash book and (ii) that the writings do not indicate any irregularity or disregard of rules requiring action on the part of the Divisional Officer.

NOTE.—The term 'receipt book' used in the above paragraph applies both to permanent and temporary receipt books. The blank space provided in the counterfoils of the temporary receipt books for filling in the number and date of the corresponding permanent receipt should invariably be filled in before the submission of the counterfoils for check in the division office.

**519.** The register of cheque (and receipt) books should be reviewed periodically and enquiries should be made of the disbursing officer concerned if there is any unusual delay on his part in bringing a book into use. Even if the cause of the delay be known, it will be found advisable to obtain an assurance from the disbursing officer that the book is in his personal custody and contains the full number of forms intact.

#### F. *Miscellaneous matters.*

**520.** When a Divisional Accountant is about to be relieved of his duties in a division office, either permanently or temporarily, he should prepare a memorandum reviewing the accounts of the division. The state of the stock and other suspense accounts of works should be reviewed in particular. All important liabilities, as also recoveries to be made from the staff or from contractors and others which should receive special attention, should be mentioned. Any arrears or defects in the working of the division office or subordinate offices rendering accounts to it should be specified, with a statement of the remedies applied or contemplated. Other points requiring the special attention of the relieving accountant, whether in regard to the initial or compiled accounts or to objection statements and audit notes received from the Audit Office, should also be set forth in detail.

The memorandum should be in a tabular form with columns for (i) remarks by the relieving accountant, (ii) remarks by the Divisional Officer and (iii) orders of the Accountant-General.

The relieving accountant should examine it when taking over charge and promptly forward it with his remarks to the Accountant-General through the Divisional Officer who will record such observations as he may consider necessary.

**521.** Divisional Officers are advised to review from time to time the several registers, books and accounts as are maintained in the division and sub-division offices even though under the rules in this Code they may have scrutinised and initialled the individual entries

or sets of entries therein. To this end they may require these records be laid before them through the Divisional Accountant, monthly or at such other intervals as may be fixed by them. The fact of such review should be placed on record in all cases preferably in form No. 84 and posted in a suitable position on the account etc., concerned.

**522.** When in consequence of the reconstitution of executive charges or of any other arrangements, the accounts of two or more division offices are to be amalgamated or those of any office are

(i) Works in progress and suspense accounts of works.

(ii) Appropriation and sanctions not yet completely operated upon.

(iii) Stock and other suspense accounts.

(iv) Remittance accounts.

(v) Deposits and cash balances.

(vi) Unrealised rent & other revenue, and

(vii) Interest bearing securities.

either to be broken up into parts or closed, the Divisional Officers concerned should apply in time to the Accountant-General for the instructions to be observed, in regard to accounts, in giving effect to the arrangements. On all such occasions, the necessary transfer between offices of unsettled accounts (for example, see margin) of liabilities not yet brought to account, of quantity accounts of tools and plant and road metal, and of relevant account and establishment records (including unused forms of cheque books and receipt books) should receive the special attention of all concerned.

**523.** The destruction of account records in P. W. Offices is governed by the rules in paragraphs 171 to 175 of the P. W. Department Code. The Accountant-General should be consulted and his orders obtained before destroying them. In each division office full details of all records destroyed from time to time should be maintained permanently in the prescribed form.

## CHAPTER XVIII.

### Pay, Allowances and Contingencies.

**524.** The pay and allowances of Government servants of the department not charged directly to works, as well as all personal advances sanctioned by competent authority, are drawn from treasuries on bills in forms and in accordance with the rules, prescribed in chapters VIII, IX, X, XI and XV of the Travancore Financial and Account Code Volume I and Appendix 14 of Volume II, which are applicable to the P. W. D. subject to the special rules laid down in this chapter and in the P. W. Department Code.

NOTE :—The sanction of competent authority to personal advance may, if preferred, be obtained in the form of countersignature on the bill itself before it is presented at the treasury.

### *Preparation of Bills.*

**525.** Bills paid at treasuries are incorporated in the general accounts of the State by the audit office. Drawing officers are, however, responsible that the major head and other particulars necessary for determining the accounts classification are recorded in each bill.

NOTE :—The cost of any special establishment for acquisition of land, entertained under orders of Government by a civil officer acting as a Public Works disburser is chargeable as the cost of the works concerned and not as general establishment charges (vide Article 517 of the Financial and Account Code and Note 3 to paragraph 260 of this Code.)

**526.** If as permitted by Article 293 exception (b) Financial and Account Code, emoluments up to the date of transfer are not drawn before a Government servant proceeds on transfer, emoluments for the whole month may be drawn in the new appointment, the allocation of the charge to the old and new appointments being clearly specified on the bill.

NOTE.—In the case of non-gazetted Government servants, the last pay certificate should give all the necessary information, so that the allocation may be correctly noted by the drawing officer in the bill of the new office. In the case of gazetted Government servants whose last pay certificates are prepared by Treasury Officers (or by the Accountant-General when it is paid from the P. A. D.) the responsibility for showing the correct allocation in the bills rests with the officers themselves.

### *Encashment of bills.*

**527.** Non-gazetted Government servants' bills should be presented at the nearest treasury for payment. They should be accompanied by a memorandum signed by the drawing officer and specifying separately the amounts of (a) cash required for disbursement and remittance to be made in cash, (b) cash orders required on each of the sub-treasuries subordinate to the Divisional Treasury, for

payments to be made to establishments stationed near the sub-treasuries and (c) remittance transfer receipts on other Divisional Treasuries for amounts which may have to be disbursed outside the Division but within the jurisdiction of the drawing officer.

NOTE.—The Executive Engineer of a division may in place of the system of obtaining cash orders on sub-treasuries for payment to establishments stationed near the sub-treasuries (as in item (b) above) adopt the system of presenting separate bills for such establishments direct at sub-treasuries. But one or other of these two systems must be followed throughout each division and not both.

### *Distribution of pay and allowances.*

**528.** Special attention is invited to Article 409 of the Financial and Account Code, prescribing the procedure for distribution of pay and allowances to establishments. Acknowledgments should, as far as possible, be taken on office copies of bills but where this may not be convenient or advisable, as in the case of scattered establishments, consolidated receipts on acquittance roll, form 13 of the Financial and Account Code, may be obtained separately for each set of payments made at one place or at one time.

NOTE. Acquittance rolls and receipted office copies of bills are not required to be submitted to the Audit Office, but as they are important records, they should be stamped 'paid' and preserved carefully.

**529.** Cash drawn on pay and travelling allowance bills of establishment should not be mixed with the regular cash balance of the department. The disbursement of cash drawn on pay and travelling allowance bills of establishment should be watched by maintaining an account in Account from No. 15 in all P. W. D. Offices vide para 188 (2) of the Financial and Account Code. The account should be in charge of the cashier or other person in charge of the office cash book and should be signed by him after each day's transaction. The manager of the office should verify the balance and record the result as often as possible.

NOTE. 1. This rule applies also to cash received by a subordinate officer for payment of pay and allowances of Government servants serving under him.

NOTE. 2. The entries made in the Anamath Register maintained in sub-division offices need not be included in the anamath register to be maintained in division office.

### *Miscellaneous recoveries from establishment.*

**530.** Ordinarily, recoveries on account of security deposits of employees should be made in cash when their pay is disbursed and should be credited in the cash book of the disbursing officer. When the amounts recovered have to be paid into an Anchal Office Savings Bank as security deposits, they should be forthwith remitted to the Anchal Office.

NOTE. The rule in this paragraph applies *mutatis mutandis* to all recoveries from employees which are creditable, under the rules, to some head in the compiled accounts of the division.

*Communication of sanctions to Audit.*

**531.** In the case of all transfers of division, sub division or other executive charges, a report of transfer of charge should be prepared in the manner prescribed in articles 370 and 373 Financial and Account Code and sent to the Audit Office through the Chief Engineer.

*Contingent charges.*

**532.** Cash required to disburse contingent charges is obtained from treasuries directly by bills, *i. e.* in the same way as cash required for payment of pay and allowances.

**NOTE.** Under this method the charges do not enter the division accounts at all, though ultimately in the Audit Office they are charged against the appropriation to which they relate.

**533.** The rules in chapter XI of the Financial and Account Code, Volume I and Appendix 14 of Volume II, apply generally to the P. W. D. to the extent that they may not be inconsistent either with the authorised method of obtaining cash for contingent charges or with any of the special rules in this Code.

*Special Rules.*

**534.** The following special rules are applicable, as regards contingencies.

(a) The procedure prescribed in the Financial and Account Code for drawing bills direct on the treasury, for keeping the accounts, of cash obtained on the bills and for making disbursements applies *in toto*.

(b) Contingent bills may be drawn by the Divisional Officer or such other officer as may have been specially authorised by Government, the procedure for the encashment of the bills being the same as prescribed for establishment bills in paragraph 527.

(c) Payments made out of the cash thus drawn are subject to the rules of this Code, both in regard to the manner of authorising and making payments and to the forms of vouchers to be obtained in support thereof.

(d) Debits from other departments or divisions for supplies chargeable to contingencies, intimations of which may be received should be dealt with in the manner indicated in Articles 454 to 458 of the Financial and Account Code. Other debits, of which intimations may be received direct through advices of transfer debit, and stock and adjustment transactions arising, within the division, should be cleared, by an entry in the regular accounts, by debit to



"the Accountant General's Office on account of contingencies of the Division," the transaction being incorporated in due course in the contingent bills as laid down in the rule already quoted.

**NOTE.** In accepting invoices of store and work bills, etc., received from other divisions and departments, charges pertaining to contingencies should be clearly specified and, if necessary, distinguished from other charges, so that, in cases where the necessary adjustment can be effected in the Accountant General's Office, this may be done without further reference to the division office.

**535.** The cash obtained for contingent charges should not be mixed up with balances of cash obtained for other purposes, and care should be taken that cash charges relating to other heads are not brought to account, even temporarily, as contingent charges of *vice versa*.

#### *Direction Office.*

**536.** The following rules apply only to the Chief Engineer's Office and other Special offices which are not like Divisional, Sub Divisional or Section Offices in direct charge of the execution of works. These offices are termed as "Special Offices."

**537.** The head of a special office is not concerned with the actual execution of works, with the disbursement of money, or with the provision or custody of any materials, otherwise than possibly as an officer of control. If, however, he is required at any time to assume an executive charge, the monetary and store transactions of such charge should be kept distinct from the transactions of his special office, and accounted for under the rules applicable to Divisional Officers.

**538.** Nor do heads of special offices realise any departmental receipts. Any petty amounts received occasionally should be remitted at once to the treasury in accordance with the procedure prescribed in Article 75 of the Financial and Account Code.

**539.** Thus, the monetary transactions of heads of special offices are practically confined to payments of office expenses and pay and allowances of themselves and the members of their offices. These may be divided into two distinct groups:—

- (1) Pay and allowances.
- (2) Contingent charges.

**540.** Cash required to meet these payments is obtained by bills drawn on treasuries under the rules in the following paragraphs.

**541.** The rules in the Financial and Account Code apply *mutatis mutandis* to special offices.

---

**542.** The general rules relating to contingencies and supplies and services are given in Chapter XI in Volume I and Appendix 14 in Volume II of the Financial and Account Code.

**543.** Charges for new supplies of, and repairs to, articles of the classes which, in the case of executive officers are classified under the head 'Tools and Plant' are treated as contingent charges etc., in the case of special offices.

• **EXAMPLES :—**Scientific instruments and drawing materials  
• office furniture, camp equipage, motor car etc.,

**544.** The Account procedure prescribed in chapter VI for tools and plants of Division offices will be observed in special offices as well as in respect of articles referred to in paragraph 543, suitable registers showing the receipt, disposal and balances of articles being maintained for the purpose.

**NOTE.** If any articles of this class are transferred to a division office, the fact of the transfer should forthwith be reported to the Accountant General's office even though no adjustment of cost is required to be made under rule.

---